



FAR EAST MOTORS
Phone 59101 26 Nathan Road
Kowloon.

Printed & Published by
"Hongkong Telegraph"
Dennis, at the "Morning Post" Press,
No. 11, Robinson Street, Hongkong.
Low Water:—21.00.

The Hongkong Telegraph

FOUNDED 1861 二拜禮 號九廿月七英港香
No. 16322

TUESDAY, JULY 29, 1941.

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SINGLE COPY 10 CENTS
\$30.00 PER ANNUM

A New Shipment of
JIG-SAW PUZZLES
By The Chad Valley
Prices from
\$1.75 to \$12.50
Amuse yourselves during this
tiresome weather.
WHITEAWAY'S

NAZIS BROUGHT TO A STANDSTILL IN CENTRE OF EASTERN FRONT

ZURICH, July 28 (REUTER).—UNDOUBTEDLY THE WAR HAS BECOME STATIONARY IN THE CENTRAL SECTOR OF THE EASTERN FRONT, WHERE FIGHTING HAS BEEN HARDEST, DECLARES THE BERLIN CORRESPONDENT OF THE "BASLER NACHRICHTEN."

REPORTS FROM THE FRONT, ADDS THE CORRESPONDENT, HAVE FREQUENTLY MENTIONED THAT GERMAN INFANTRY HAVE BEEN OBLIGED TO ENTRENCH THEMSELVES IN ORDER TO FACILITATE DEFENCE AGAINST RUSSIAN COUNTER-ATTACKS.

Stubborn Fighting By Reds

Latest Communiqué

MOSCOW, July 28 (Reuter).—The following is the latest Soviet communiqué:

"Our troops continue fighting in the directions of Smolensk and Zhitomir."

"The enemy offensive is breaking against the strong stubborn fighting, our troops in certain places energetically counter-attacking and inflicting heavy losses."

"There are no important battles elsewhere."

"In other directions and sectors on the front, there is nothing of importance to report. Our air force, co-operating with land troops, is operating against large enemy formations of air force and against their aerodromes."

"In all, 109 German planes were shot down on July 28. Our losses were 28."

"The Baltic coastal defence sank a torpedo boat, and two patrol boats. We lost one torpedo boat."

STILL GRIMLY DETERMINED

German Attitude
Towards War

SPECIAL TO THE "TELEGRAPH"

NEW YORK, July 28 (UP).—George Kidd, "United Press" correspondent who has been in Europe during the past five years, said on his arrival in New York to-day that the German people still appear grimly determined to carry on the war.

He said the German people were confident of defeating Russia, despite the apparent delay in the original time schedule due to Russian resistance.

"Some unofficial German quarters at the beginning of the campaign said that they expected Russia to be defeated within six weeks," he stated.

Mrs. Kidd, who kept house in Berlin, said that the food situation has become slightly more restricted after two years of war.

Hollanders Create Navy Dept. To Continue War

LONDON, July 28 (Reuter).—The determination of the Netherlands Government to hold no parley whatsoever with the Nazi regime is re-affirmed in an announcement stating that Queen Wilhelmina has approved a number of ministerial appointments.

The only change in personnel is in the Defence Department. In view of the great importance attached, particularly in the present circumstances, to the Netherlands Navy, a separate Navy Department has been created.

This department will function under Vice-Admiral Eustene, who was Chief of Naval Staff in 1936 and this year was made Commander-in-Chief in European waters.

The Netherlands Government reiterates that the entire conduct of affairs and method of working will

German propaganda has been forced to turn a back somersault over the German Army communiqué of July 7 reporting that the Russians had thrown into battle their last reserves and it is now alleged that the Russians have received further reinforcements from the Urals which district "was, of course, not taken into account by previous communiqués."

The "Deutsche Allgemeine Zeitung" explains the hold-up of the German offensive by saying that "a big battle is proceeding against a very strong Russian army in order to enable the German Army to continue the war movement."

PRESSURE RELAXES

Lull Descends On
Soviet War Fronts

SPECIAL TO THE "TELEGRAPH"

MOSCOW, July 28 (UP).—To-day's communiqué indicated that pressure has been relaxed in the Nevel, Smolensk and Zhitomir areas where the fighting is continuing but apparently without the usual ferocity.

For the past two days the Soviet communiqué have dropped their adjectives, "intense," "fierce" and "stubborn," and merely reported "fighting."

A lull has descended on other fronts where there was nothing of consequence to report.

The Red air fleet resumed bombing Constanza and continued to hammer enemy columns and air-ports.

The Muscovites enjoyed a quiet night when the Luftwaffe failed to appear after five successive night raids.

Communications Analysed

NEW YORK, July 28 (UP).—The German High Command has reported that a great victory looms in the Smolensk sector, but Moscow reports indicate that the fighting around Smolensk and elsewhere has taken a favourable turn for the Soviet Union. The German and Soviet communiqués present the customary contrast as the battle along the 1,800-mile front enters its 37th day. The Nazi High Command said that all attempts by the Soviet forces to break out of the encirclement around TUM to Back Page, Column 3

TWO JAPANESE PLANES DOWNED

SPECIAL TO THE "TELEGRAPH"

CHUNGKING, July 28 (UP).—It is reliably reported that two Japanese planes were shot down by Chinese pursuit planes in a severe air battle in the vicinity of Chungking.

The wreckage of both machines was found near the city of Pishan, 40 miles west of Chungking.

A fortnight ago to-day, the Berlin correspondent of the "Basler Nachrichten" reported that Berlin was expecting the fall of Kiev within a few hours.

Difficulties of Nazis

ZURICH, July 28 (Reuter).—German propaganda excusing the slow advance on the eastern front continues to emphasize the difficulties the troops are encountering.

Describing conditions on the Finnish-Russian frontier, the Berlin correspondent of the Berne newspaper "Bild" says: "An endless column of heavily laden soldiers marching and cursing through a nightmarish forest of endless forests. There are no roads, no communications, no lorries and no motorcycles. Only the absolute essentials of equipment are carried, overcoats and blankets being left behind although the nights are terribly cold and damp. The days are frightfully hot while millions of torturing mosquitoes swarm round the labouring soldiers' heads."

Wading Through Swamps

"Often the soldiers must wade knee-deep through black swamps. These forests provide the best cover for the Russians, for the Germans cannot see the enemy. As soon as the Germans enter a forest, they meet with a withering fire from the Russians from trees here, there, everywhere."

Another difficulty, the correspondent continues, is "Soviet forts constructed as part of the landscape. They are so well camouflaged that they are easily overlooked. The ground in front is sown with mines."

Stalwart Defence

Describing an attack on one such fort, the correspondent says: "TURN to Back Page, Column 4

China's Assets To be Frozen

At Her Own Request

LONDON, July 28 (Reuter).—It was officially confirmed in London to-night that the Chinese Government has requested the British Government to freeze Chinese assets in Britain and the British Empire. Measures will be put into effect shortly.

The reason for the Chinese Government's desire is that the Japanese are in control of certain parts of China and consequently the assets of these territories. If the Chinese assets were to remain unfrozen, it would give the Japanese a loophole to continue trade with Britain.

A similar request was made by the Chinese Government to the Government of the United States who have already taken the necessary steps.

Residents of China

LONDON, July 28 (Reuter).—It was officially announced that at the request of the Chinese Government for any payment in a sterling area, the Treasury has issued directions blocking sterling balances and other assets of persons resident in China.

The directions come into operation as from the opening of business on July 28. General authority is given for any payment in a sterling area authorised on behalf of the Chinese Government as well as payments necessary for the fulfilment of certain outstanding transactions.

Tense Peiping Atmosphere: Reactions In Shanghai

SPECIAL TO THE "TELEGRAPH"

PEIPING, July 28 (UP).—The atmosphere in the foreign community is tense and rumours are abundant, including one that foreign banks will be taken under control to-morrow. The Yokohama Specie Bank has suspended payments of British and the National City Bank is buying U.S. dollars. The American

Nations Lining Up Against Japan

Special to the "Telegraph"

WASHINGTON, July 28 (UP).—Political circles are highly pleased over Batista's invocation of economic reprisals against Japan. The action is particularly welcomed because it creates a solid front of resistance among the nations having vital interests in the critical south Asiatic zone where Japan has expanded.

The impression is strong here that all democratic nations with interests in this region have jointly "drawn a line" against further Japanese expansion southward and, in effect, have notified Japan to expect resistance of a sterner type if she undertakes any new adventures.

Many experts were of the opinion that Japan must now expect to encounter concerted force if she attempts an attack on the Dutch East Indies or Singapore.

Hint to Latin America

WASHINGTON, July 28 (Reuter).—Mr. Sumner Welles to-day intimates TURN to Back Page, Column 3

Subterranean Fortification Of Gibraltar

(BY "REUTER'S" SPECIAL CORRESPONDENT)

GIBRALTAR, July 28.—Improvements of the fortifications here have been considerably hastened during recent weeks and the training of personnel is proceeding with great energy as new war materials arrived, including a number of new devices.

Troops participating in the exercises are about town daily while Bren gun-carriers clatter through the streets day and night.

The Fort's air arm roars over the rock at all hours, keeping itself in full fighting trim.

Network of Tunnels

The task of completing the amazing network of tunnels continues night and day unceasingly, the troops thus engaged coming from all parts of Britain and Canada. They operate in eight-hour shifts, 24 hours daily, including Sunday.

Though uncompleted, the Rock now contains three-story barracks capable of housing thousands of men. There is a fully-equipped hospital, an electric power generating system and cook-houses. Vast quantities of oil, water, food, tobacco and even bottled sweets have been stored in subterranean tanks.

Working in dusty tunnels has not injured the men's health which is carefully guarded. In some cases, the men have actually put on weight.

Matsumoto Maru Outside S'pore

SPECIAL TO THE "TELEGRAPH"

SINGAPORE, July 28 (UP).—It is reliably reported that the Japanese steamer Matsumoto Maru is lying off Singapore pending the clarification of the situation resulting from the freezing order.

The N.Y.K. stated that the steamer Hakone Maru which will arrive here on Tuesday en route to Bombay has been fully booked for the return voyage from Singapore to Japan, due to the fact that she will be the last Japanese passenger vessel to leave for Japan prior to the diversion of the passenger lines from Singapore.

Asama Maru Fails To Show Up

HONOLULU, July 28 (UP).—The Asama Maru did not appear off port at noon in accordance with her schedule. Unofficial quarters understand that the ship is waiting about 500 miles to the West.

EIGHT AIRFIELDS FOR JAPAN IN SOUTH INDO-CHINA

HANOI, July 28 (Reuter).—Japanese troops began disembarking in southern Indo-China to-day, it is officially announced. The Japanese are allowed to use eight aerodromes under the agreement, including Saigon and Siamreap near Ankor on the new Thai border.

The strength of the troops is not disclosed. The disembarkation was begun at Nhatrang, just north of Camranh Bay.

The aerodromes to be utilised, in addition to Saigon and Siamreap, are Nhatrang, Tourane in the middle of the Annam coastline, Biendhoa near Saigon, Soctrang at the mouth of the Mekong, Kompongton near the Great Lake in Cambodia and Phompenh, the capital of Cambodia.

The vanguard of the main bodies of Japanese troops, believed to be on four transports and four destroyers, will arrive in Saigon on Wednesday.

British and American businessmen, anticipating a peaceful occupation, are remaining in Indo-China.

Franco-Japanese Treaty

LONDON, July 28 (Reuter).—"A detailed agreement, confirming the carrying out of an agreement between Japan and France for the joint defence of Indo-China was concluded last Wednesday," it was announced by the Japanese Military Mission in Indo-China.

According to a "Domel" dispatch from Saigon quoted by the Tokyo Radio, "negotiations for the conclusion of this detailed agreement were started last Wednesday morning and were brought to an amicable conclusion on 8 p.m. the same day."

The agreement was reached between Major-General Sumita, head of the Japanese Military Mission, and Vice-Admiral Decoux, Governor-General of Indo-China.

Nazis Protest Expulsion Of Minister

LONDON, July 28 (Reuter).

"The expulsion of the German Minister in La Paz, Herr Wendler, has led to a second Note being addressed by the German Government to the Bolivian Government."

Referring to a document published by the Bolivian Military Attache in Berlin, Major Delmonte, to Herr Wendler, the German Note describes it as "at first sight nothing more than a clumsy forgery."

The Note goes on to point out that Herr Wendler immediately telegraphed to Berlin, stating that he had never received such a letter and had never entered into any kind of communication with Major Delmonte.

New Grounds

It adds that Major Delmonte declared to the German Foreign Office that he had never sent such a letter to the German Minister nor had he ever sent him any letter or received one from him.

The German Note concludes: "Major Delmonte has expressed a wish to make his declaration in public. In the face of this, the German Government declares that the Bolivian Government at the instigation of a third party and without any attempt at explaining the facts, have lent themselves to a procedure against diplomatic representatives of the Reich of a kind unparalleled in international relations. The German Government once more sharply protest against this."

Finns Break With Britain

LONDON, July 28 (Reuter).

Finland has requested the severance of diplomatic relations with Great Britain, it is authoritatively stated in London.

The Finnish Foreign Minister has handed an "aide-memoire" to the British Minister in Helsinki informing him that as Finland is co-belligerent with Germany, the normal diplomatic relations between the two countries cannot be maintained.

In reply to Mr. Vereker's question whether this statement meant that Finland was requesting the severance of diplomatic relations, the Finnish Foreign Minister replied that this was so.

Democracies Discuss Far East Position

NEW YORK, July 28 (Reuter).

Lord Halifax, the British Ambassador, called upon the Acting Secretary of State, Mr. Sumner Welles, at Washington to-day for the purpose of discussing economic measures to be taken against Japan.

He told a press conference that a review of the Far Eastern situation was intended in the light of the Japanese move into Indo-China and the swift retaliatory measures by the United States and British Empire countries.

N.E.I. And Britain

LONDON, July 28 (Reuter).—The Far Eastern situation was discussed in London to-day between Mr. Anthony Eden, the British Foreign Secretary, and Dr. E. N. van Kieften, the Netherlands Foreign Minister.

Angry Evacuees Meet In Sydney Flat

A Manly flat recently was the scene of an unofficial but fiery protest meeting of six angry women evacuees from Hongkong and a discontented husband on leave in Australia according to the Sydney "Sun".

"We've had a dirty deal with this evacuation," they told a "Sun" reporter. "We're fed up."

The husband, Mr. F. C. Brown, who is a Hongkong police department official, said: "It's been no pleasure coming down here for a holiday. I've been very surprised to find out the conditions under which Hongkong women evacuees are living and how unhappy they are. 'We're prisoners here,' said Mrs. E. Oren, whose husband is a sub-inspector of the Hongkong police. TURN to Back Page, Column 5

"Every Hongkong newspaper we get has a cartoon making fun of us," said her sister, Mrs. F. C. Brown. "I'm fed to the back teeth," said Mrs. K. M. Clarke, whose husband also is a police sub-inspector and who has had her first baby since she arrived here. "We are desperate and heart-broken," said Mrs. H. B. Dowar. "It's been tough going," said Mrs. A. Mackie. "We have justification for grouching," said Mrs. G. Oakenfull. "There are still 940 British women

CLASSIFIED ADVERTISEMENTS

25 words \$2.50
for 3 days prepaid

FOR SALE.

THE HONGKONG NATURALIST, Vol. X nos. 3 and 4. Price \$4 (postage extra). Now on sale at South China Morning Post Ltd.



SENT HOME—Perhaps most widely known among Germans forced to leave U. S. for alleged subversive activities is Captain Fritz Wiedemann, Consul General in San Francisco, Hiller's company commander in World War and, until 1939, his personal adjutant. He's shown above.

Noel Hammohd, Interport Swimmer and holder of the 100 yards free-style record, has returned to Hongkong from Australia where he had spent a short holiday leave.

The Hongkong Telegraph Eleventh Annual Amateur Photographic Competition

June—September, 1941.
Two Silver Trophies Awarded by IFLORD LTD.

For the best and second-best entries.

Three Silver Trophies Awarded by EASTMAN KODAK CO.
First Prizes in each of the three Sections.

\$250 CASH PRIZES \$250

SECTION ONE

Interior scenes. Table Top and Still Life Studies.

(Excluding portraiture, plants and flowers).

1st KODAK SILVER TROPHY

2nd \$40. 3rd \$30. 4th \$10

SECTION TWO

Portraiture.

1st KODAK SILVER TROPHY

2nd \$40. 3rd \$30. 4th \$10

SECTION THREE

Plants and Flowers.

1st KODAK SILVER TROPHY

2nd \$50. 3rd \$30. 4th \$10

RULES

- The following Rules will govern the Competition:
- The Competition is open to all photographers.
- The entries are awarded the Ilford Trophies for the best and second-best pictures in the Competition, and will not be entitled to any other prizes.
- The prizes will be awarded to the competitors sending in what are adjudged to be the best photographs in each Section. Each entry must be accompanied by a form which will be published during the period of the Competition, and which must be posted on back of entry.
- The right to publish any or all of the entries is reserved to the Hongkong Telegraph.
- All photographs entered must have been taken in the Colony of Hongkong. Photographs which have been already entered in other Competitions are ineligible.
- No responsibility will be accepted for non-delivery, loss of, or damage to entries.
- All entries to be either black, sepia, or tone pictures, and must be mounted. Coloured photographs are ineligible.
- Pictures submitted in sepia tones should be accompanied by a smaller print in black and white.
- No pictures to be entered in more than one Section.
- Mounts to be only white or cream, must be of one of the following sizes:—10x12, 10x16, 12x16.
- No correspondence will be entered into in connection with the Competition.
- Members of the Staffs of the Hongkong Telegraph and the South China Morning Post are not permitted to compete.
- The decision of the Judges shall be final.
- At the conclusion of the Competition, entries will be returned to competitors at the Ilford offices within seven days.
- The use of aliases is strictly forbidden.

ENTRY FORM

NAME
SECTION
ADDRESS

Please use block letters and paste one of these forms on back of each Entry.

NEW ADVERTISEMENTS.

APPEAL FOR FUNDS FOR ORTHOPAEDIC CENTRES IN FREE CHINA

At the request of Madam H. H. Kung and with the support of His Excellency the Governor and under the auspices of the British Fund for Relief of Distress in South China, an appeal is made for funds for the purpose of establishing and maintaining Orthopaedic Centres for disabled soldiers and civilians in China.

Cheques and donations may be sent to the Hon. Secretary, Mr. M. K. Lo, British Relief Fund for Distress in South China, Alexandra Building, marked Orthopaedic Appeal or to the British Relief Fund for Distress in South China, Hongkong and Shanghai Bank marked Orthopaedic Appeal.

NOTICE

DEFENCE REGULATIONS 1940

The following rates will be charged for mailing single copies of the following newspapers abroad:—
South China Morning Post
China and Macao
10 cents per copy
British Empire and Foreign
25 cents per copy
The Hongkong Telegraph
China and Macao
10 cents per copy
British and Foreign
20 cents per copy
25 cents Saturdays.

Antipodes Support Sanctions

Tokyo, July 28.
Following in the footsteps of its mother-country, New Zealand yesterday gave a formal notification of the abrogation of the commercial customs and navigation pact with Japan.

The notice, it is reported, was given by the Wellington Foreign Office to the Japanese Consul-General, Mr. K. Gunji. The information was wired to the Tokyo Foreign Office by Mr. Gunji. By the act, the treaty which has been in force since July 24, 1923, will automatically lapse in three months from the date of notice.

The abrogation also means the cutting off the extension of the most favoured nation treatment to Japan by the British Dominion—Domest.

Australia Follows

Melbourne, July 28.
Japanese balances in Australia have been frozen under the existing exchange control regulations, announced the Premier, Mr. Menzies. Australian banks have been notified.

Death Of Well-Known Shanghai Teacher

There will be many friends, colleagues and pupils, past and present, of Margaret Sutherland who will experience a sense of personal loss in reading of her death, states a note in the N. C. D. News, Shanghai.

Miss Sutherland was educated at Queen's Gate School for Girls, Aberdeen, and at Aberdeen University from which she graduated Master of Arts with Honours in English and History in 1913.

Before going to Shanghai Miss Sutherland held important educational posts in Stirling High School, one in St. Margaret's School for Girls, Aberdeen.

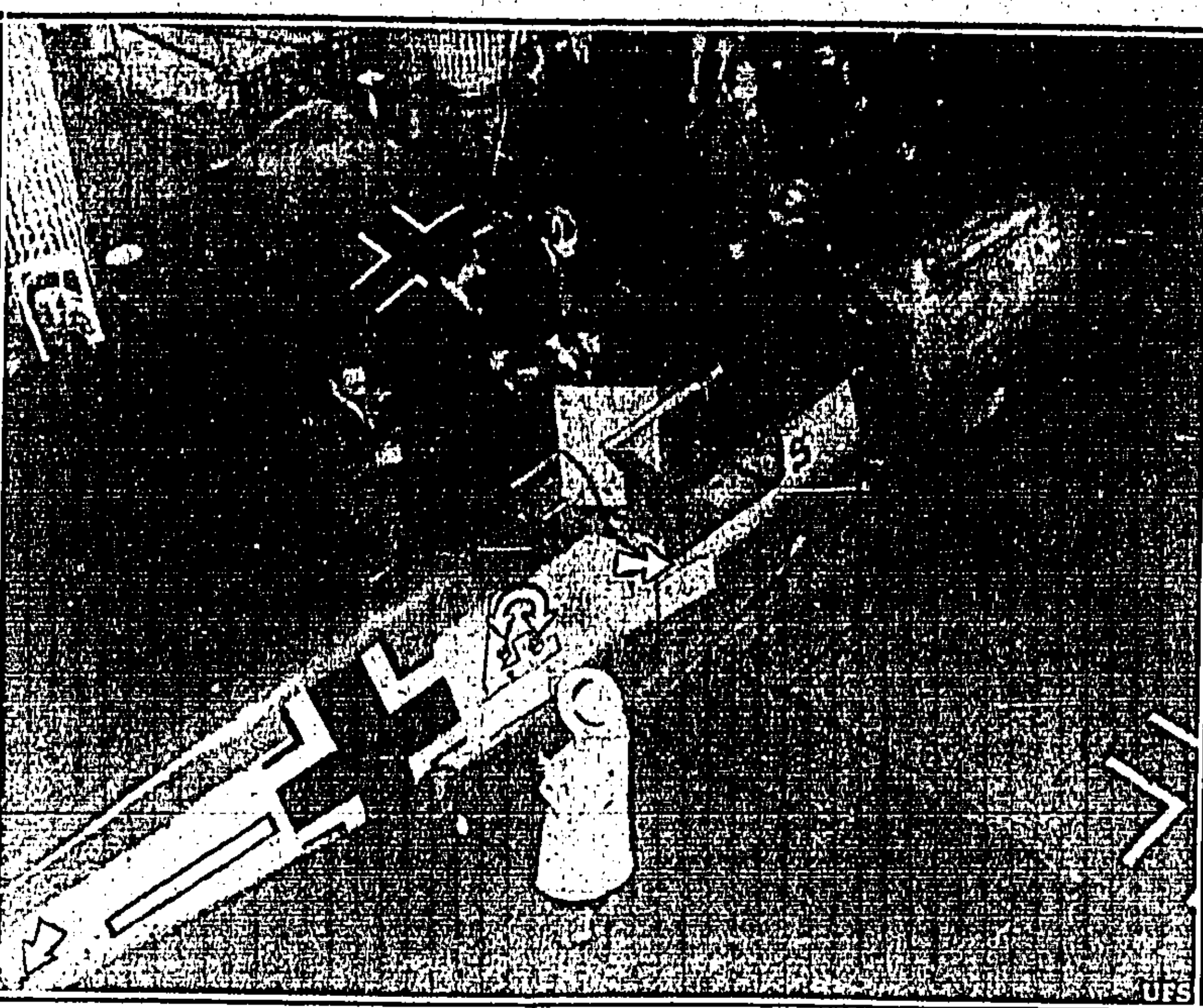
In 1925 she was appointed in London to the Educational Staff of the Shanghai Municipal Council, and since then has had complete charge of the teaching of English in the Public School for Girls and held the post of Senior Assistant.

Ex-Senator and Mrs. Harry B. Hawes, have announced the marriage of their daughter, Mrs. Eppes Hawes Moore, to William Fahnestock, Jr., member of an old Maryland family, reported United Press from Washington on July 12. The wedding took place in a small Maryland town, and there were no members of either family present, nor any friends.

BRITISH WAR ORGANISATION FUND

Help Bomb Civilians in Britain

Old clothes of all descriptions are badly needed for Men, Women and Children in the Bombed Areas in Britain. Such gifts will be received by the B. W. O. F., c/o Government House, during office hours, Mondays to Fridays from 9.30 a.m. to 4 p.m., allowing for Lunch Interval and Saturdays from 9.30 a.m. until 1 p.m.



SOUVENIR—German Messerschmitt fighter plane, shot down during raid over London, on view in New York to raise funds for Bombs for Britain. Pilot, dying from machine gun fire, landed plane in marsh where it tipped over on nose. Plane bears many shrapnel and bullet holes. It will be exhibited throughout U. S. for funds.

DONATIONS TO CAUSES For Bomber Fund

Sales of cocker spaniel pups were among sources of donations to the Bomber Fund, which reached a total of \$2,439.49 yesterday, with the following further subscriptions:
Hongkong Art Club (in memory of the late Mrs. A. N. Macfadyen) \$20
Story Edmundson (twelfth don.) \$20
European Y.M.C.A. (Sale of old newspapers and misc.) 7.63
Tennis Bunko 1.00
For Cocker Spaniel puppies per Mr. M. T. Max Dietrich \$10
Mr. P. H. W. Shiu 1.13
Mr. A. C. Offenbarg 1.13
B. W. O. F. 1.13

The following is a list of subscriptions received to date for credit of the British War Organisation Fund, Hongkong Branch: Previously acknowledged, \$110 and \$127.67.47. Q.A.I.M.N.S. (monthly), \$22.00; D. C. Edmundson (monthly), \$22.00; D. W. Hume (monthly), \$10; sale of Postal Labels, 40 cents; Anonymous, \$10; Mrs. A. Buckenrough, \$40.75. Total \$122,237.53.

The S. C. M. Post has received the following donation to the British War Organisation Fund: Anonymous, \$50.

PRISONERS OF WAR

The S. C. M. Post has received the following donation to the Relief Fund for British Prisoners of War: Anonymous, \$10.

ST VINCENT DE PAUL

The Society of St. Vincent de Paul acknowledges receipt of the following donations in memory of the late Mr. E. L. Hoar: Mr. and Mrs. A. A. Botelho, \$3; Mr. and Mrs. C. M. da Silva, \$1.
The S. C. M. Post has received the following donations to the Society of St. Vincent de Paul: In memory of the late Mrs. J. M. A. Macfadyen, \$250; Mr. and Mrs. J. P. O'Donovan, \$250.

The S. C. M. Post has received the following donations to the Little Sisters of the Poor: In memory of the late Josie Ozerio, \$10; Mr. and Mrs. J. M. A. Macfadyen, \$10; Mr. and Mrs. J. P. O'Donovan, \$10.

The S. C. M. Post has received the following donations to the Chungshan Relief Association: In memory of the late Mrs. F. Dora Constantine and Mr. Li Chor Chi, \$10; Helen R. Constantine (San Francisco), U.S.G., \$20.

The S. C. M. Post has received the following donation to the B.F.R.D.C. (Orthopaedic Campaign): Anonymous, \$50.

The Hon. Treasurer acknowledges with thanks the receipt of the undermentioned donations to the Society for the Prevention of Cruelty to Animals: J. A. Thomson, \$20; A. Talati \$10.

The S. C. M. Post has received the following donation to the Chungshan Relief Association: In memory of the late Mrs. F. Dora Constantine and Mr. Li Chor Chi, \$10; Helen R. Constantine (San Francisco), U.S.G., \$20.

DONATIONS WAITING
Donations for the following Organizations await collection at the office of the S. C. M. Post: Associação Portuguesa do Socorro; Mutual Lord Mayor's Fund for the Relief of Air Victims; D.W.O.F.; Emergency Refugee Council; S.I.C.A.; Food Kitchens Fund; New Territories Relief Association; St. Vincent de Paul; Chungshan Relief; Little Sisters of the Poor; British Prisoners of War Fund; B.F.R.D.C.

STOCK MARKET REPORT

Hongkong Stock Exchange Official Summary, issued yesterday, is:

Buyers
H.K. Govt 4% Loan 97.50
H.K. Govt 3½% Loan (1934) 94.25
H.K. Govt 3½% Loan (1940) 94.25
Canton Ins. \$225
Union Ins. \$400
H.K. Fire Ins. \$185
Chinese Estates \$101
Trans \$17
Electricity Rts \$11
Macao Electric \$18
Watsons \$10.50
Sellers
Hotels \$3.50
Realities \$3.30
Lights \$6.05
Lights "N" \$1.40
Electricity "O" X Rts \$22.50
Salos
Union Ins. \$405
Docks \$15.00
Providents \$3.75
Lands \$34.00
Trans \$17.50
Electricity "N" \$21.15
Watsons \$10.15
Cements \$14.75

—RADIO—

ZBW, 355 metres (845 k.c.) and 31.49 metres (9,520 kilo-cycles)

Beethoven Trio No. 7, Op. 97, "The Archduke"

Broadcast by ZBW on a Frequency of 845 k.c.s. and on Short Wave from 1-2.15 and 8.30-11.15 p.m. on 9.52 m.c.s. per second.

H. K. T.

12.15 p.m. A Short Service of Intercession.

12.30 Excerpts from Gilbert and Sullivan.

"Trial By Jury"; "The Yeomen Of The Guard"; "Ruddigore."

1.00 Local Time Signal and Programme Summary.

1.02 A Light Orchestral Programme.

1.30 Reuter and Rugby Press and Announcements.

1.45 The Organ, The Dance Band and Me, and The Street Singer.

2.15 Close Down.

6.00 Indian Programme.

6.45 Closing Local Stock Quotations.

6.47 Half An Hour Of Dance Music.

7.17 Sea Shanties.

RADIO ITEMS

The following London relays will be taken this week in addition to the usual news commentaries on ZBW. On Wednesday night at 11 o'clock, Sir Frederick Whyte will talk on the "Home Guard" in the series "Britain To-day." On Thursday night at the same time there will be another talk in the series "War Correspondent," and on Friday night at this time there is a talk on "Masters of History." As usual on Saturday, the special broadcast to the British Forces in the Far East will be given at 8.30 and at 11.15 the variety show "Old Mother Riley Takes the Air."

Here are some of the principal features in the local programmes for the week:
At 7.30 p.m. to-day Tuesday, there is the Portuguese Programme. From 10.15 until the station closes at 11.15 there is an hour of the compositions of Beethoven which include his Trio No. 7 in B Flat Major, better known as the "Archduke" Trio and his "Les Adieux" Sonata.

At 8.40 on Wednesday night Father T. Ryan, S.J., will give the sixth of his talks on "British Poets," the subject this week being Stevenson; and at 9.02, in the new series "To-night We Present," a review of new gramophone records will be given from the Studio.

The outstanding feature in Thursday's programme is the relay of messages to Australia at 9.15 p.m. At 10.15 that night there is a programme of new Dance Music and Variety.

Following the one o'clock local time signal at lunch time on Friday, Prokofiev's Concerto No. 3 in C Major played by Prokofiev himself and the London Symphony Orchestra will be broadcast. At 7.30 there is the Portuguese Programme, and from 8 o'clock that evening there is a Request Classical Programme continuing until the 10 o'clock news is relayed from London. Listeners are invited to send in Requests for any items they may care to hear; all letters must reach the Secretary not later than 5 p.m. on Wednesday, July 30.

At 6.47 on Saturday evening, Weber's Fantasia on Melodies of Johann Strauss will be broadcast, and from 10.15 to 11.15 there is a programme of Dance Music.

Sunday's luncheon programme opens with Beethoven's 5th Symphony, and the one o'clock local time signal will be followed by a Two-Plane Recital from the Studio of ZBW by Eddie and Michael Boder, the well known pianists from the Parisian Grill. Schubert's Quartet "Death and the Maiden" will open the European transmission on Sunday evening at 7.15, and at 9.15 there are Book Reviews from the Studio. Epilogue.

News in French is broadcast nightly between 9.45 and 10 p.m. on Short Wave only.

POLICE RESERVE

Orders Issued for The Current Week

Orders by O. Eager, Deputy Commissioner of Police (General):

Death.—The Honorable Commissioner of Police regrets to have to record the death of Constable (R)1042 Leo Koo-po who served in the Chinese Company, Police Reserve from November 19, 1940, to the date of his death July 4, 1941. Strength.—Constable (R) 53 Sut Mantun has been taken on the strength of the Chinese Company, as from July 23, 1941.

Training Course.—Part I.—Constables (R)101 John Wong, and (R)102 Cheng Chung-choy and (R)107 Yuen Shu-chong have qualified in Part I of Training Course, as from July 23, 1941.

Training Course.—Part II.—Constables (R)101 John Wong and (R)110 Cheng Mantun have qualified in Part II of Training Course, as from June 1, 1941, and Constable (R)103 Cheng Chung-choy as from June 22, 1941.

Training Course.—Part I.—Those detailed will attend at Murray Parade Ground for instruction in Part I of Training Course on Wednesday, July 30, at 17.30 hours sharp.—Dress—Khaki Uniform.

Patrol Duty.—Patrol Duties will be carried out as ordered.

Indian Company
Death.—The Honorable Commissioner of Police regrets to have to record the death of Constable (R)743 M. Ebrahim who served in the Indian Company, Police Reserve from September 13, 1940, to the date of his death July 19, 1941.

Strength.—Constable (R)227 Khushi Mohammed, and Constable (R)230 M. S. Dillon have been permitted to resign from the Indian Company, as from July 23, 1941.

Promotion.—Lance Sergeant (R)250 A. Hamid is promoted to the rank of Sergeant (S), as from July 19, 1941.

Acting Lance Sergeant (R)246 W. M. Mohd is promoted to the rank of Lance Sergeant (L), as from July 16, 1941.

Inspection.—All ranks of the Indian Company will parade on Wednesday, July 30, for inspection of equipment etc., by the Company Commander at Murray Parade Ground at 17.30 hours sharp. Dress—Khaki Uniform. The Equipment Officer will make it a point of being present.

Training Course.—Part II.—Those detailed will attend at No. 20 Ice House Street on Tuesday and Thursday, July 29 and 31, at 17.30 hours for instruction in Part II of Training Course under Sub Inspector (R)111 Din. Patrol Duties will be carried out as ordered.

Strength.—Constable (R)331 Shum Ping-ping has been taken on the strength of the Motor Patrol Unit, as from July 24, 1941.

Training Course.—Part I.—Those detailed will attend at Murray Parade Ground for instruction in Part I of Training Course on Wednesday, July 30, at 17.30 hours sharp. Dress—Khaki Uniform.

Training Course.—Part II.—Those detailed will attend at Murray Parade Ground for instruction in Part II of Training Course on Thursday, July 31, at 17.30 hours sharp. Dress—Optional.

Patrol Duty.—Patrol Duties will be carried out as ordered.

Emergency Unit
Training Course.—Part I.—Those detailed will attend at Murray Parade Ground on Wednesday, July 30, at 17.30 hours sharp for instruction in Part I of Training Course. Dress—Khaki Uniform.

Patrol Duty.—Those detailed will attend at Kennedy Road on Friday, August 1, for instruction in Riot Drill under Acting Inspector (R) M. A. de Sousa. Van will leave Reserve Headquarters at 17.15 hours sharp. Dress—Khaki Uniform. Riot Baton to be carried.

Patrol Duty.—Patrol Duties will be carried out as ordered.

W. H. CHIFFERWOOD, Adjutant, Police Reserve.

Generous Contribution To Rice Campaign

Mrs. Selwyn-Clarke, Hon. Secretary of the China Defence League, announces a particularly generous contribution to the current Bowl of Rice Campaign for relief of refugees through Chinese Industrial Co-operatives.

Mr. Li Yat-ngok, well-known Hongkong resident, recently forwarded to the League a cheque for H.K. \$500 as a contribution to the Campaign Fund. In return, he was sent a single book of tickets for a Bowl of Rice Luncheon at the Ying King Restaurant on August 1, when the contributing restaurants in Hongkong will be open for all supporters of the campaign with a simple meal of chow fan and soup.

BANKS

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W. H. EVANS THOMAS, Manager.

POST OFFICE

Air Mail Service by British Overseas Airways Corporation to East and South Africa, United Kingdom and beyond has now been resumed. Correspondence for despatch by air via Rangoon must be superscribed by "C.N.A.C."

The public are reminded that it is a breach of postal regulations to inclose in a postal cover communications intended for persons other than the addressee.

The Printed Matter Service to the following places in China is temporarily suspended:—Yunnan, Szechuen, Kweichow, Hunan, Fukien (except Amoy and Kulang), Swatow, North and East of Kwangtung.

Small Packet Post to all countries is suspended.

INWARD AIR MAILS

Air Mail by "Pan American Airways Direct Service"—San Francisco date, 22nd July. July 29.
Air Mail by "Pan American Airways Direct Service"—San Francisco date, 5th August. Aug. 12.

OUTWARD AIR MAILS

Tuesday, July 29
Air Mail for Manila, Guam, Honolulu, U.S.A., and Europe via "Pan American Airways and Trans-Atlantic Services".

R.F.O. July 29, 5.00 p.m.
Ord. July 29, 5.30 p.m.
G.P.O.

R.F.O. July 29, 5.00 p.m.
Ord. July 29, 5.00 p.m.
Monday, Aug. 4

Air Mail by Air to Rangoon to connect with the "British Overseas Airways".

R.F.O. and G.P.O.
R.F.O. Aug. 4, 11.30 a.m.
Ord. Aug. 4, Noon.
Tuesday, August 12

Air Mail for Manila, Guam, Honolulu, U.S.A. and Europe via "Pan American Airways and Trans-Atlantic Services".

R.F.O.
R.F.O. Aug. 12, 5 p.m.
Ord. Aug. 12, 5.30 p.m.
G.P.O.

R.F.O. Aug. 12, 5 p.m.
Ord. Aug. 12, 7 p.m.



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JUNE SCORE 470

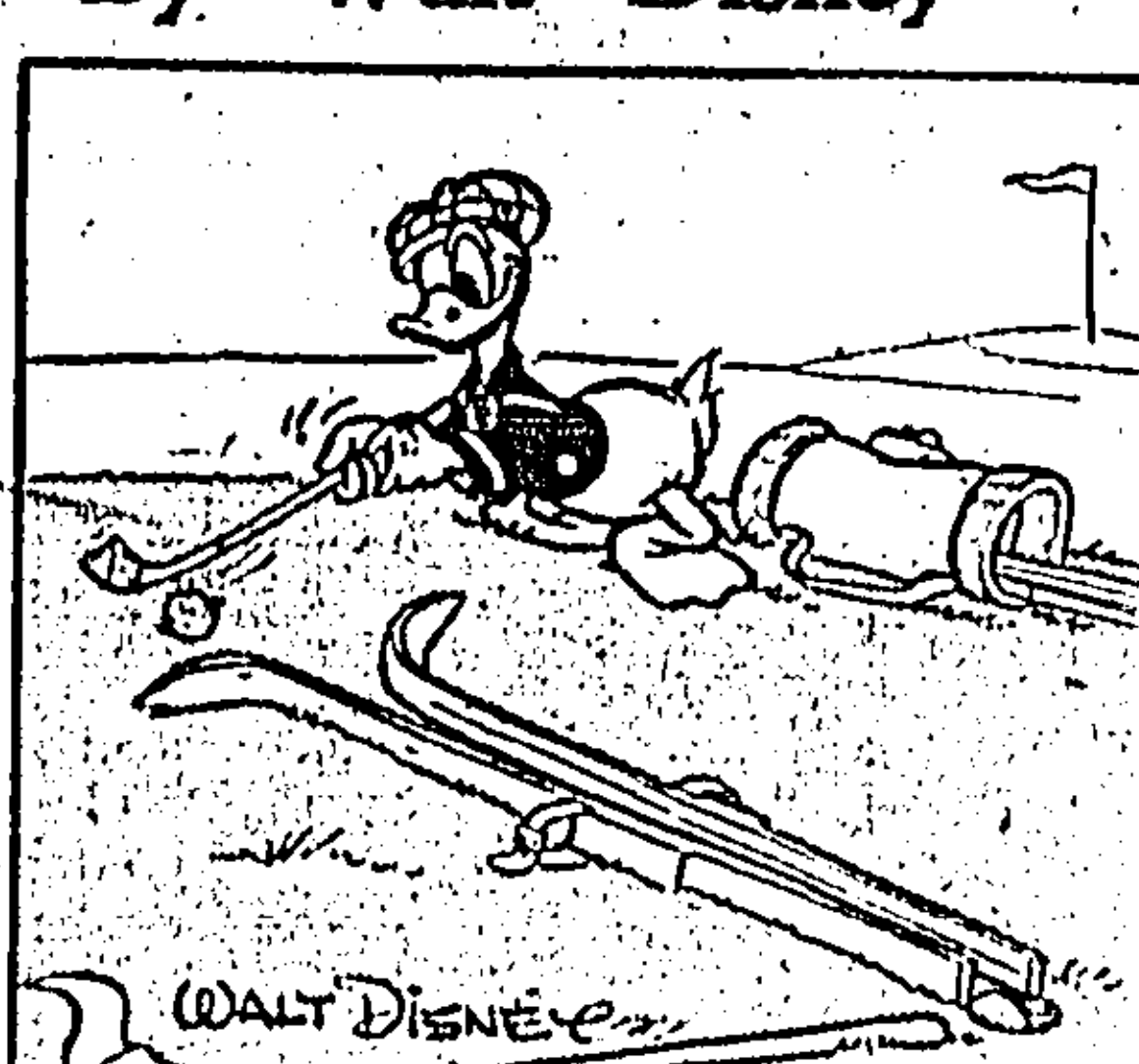
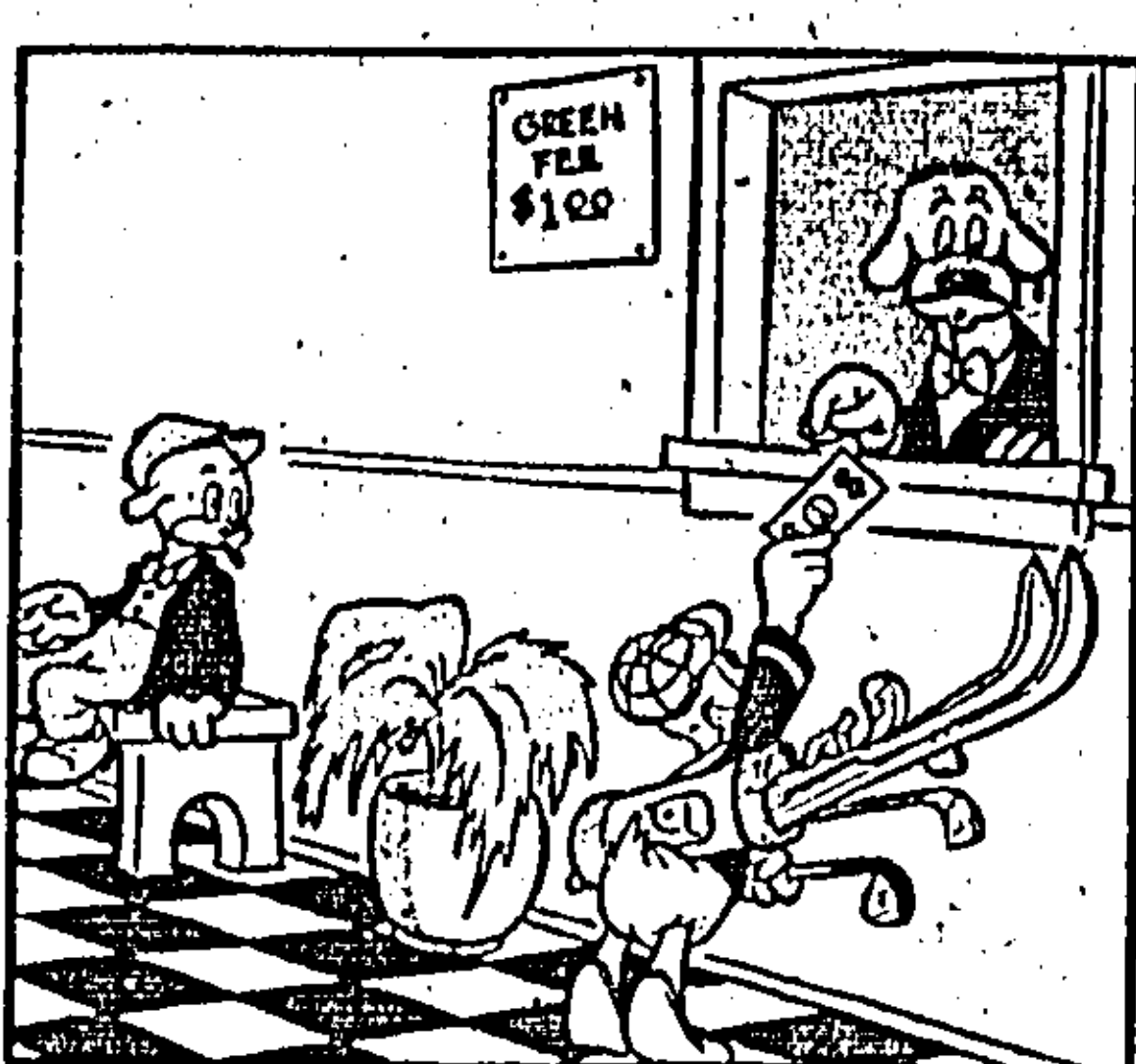
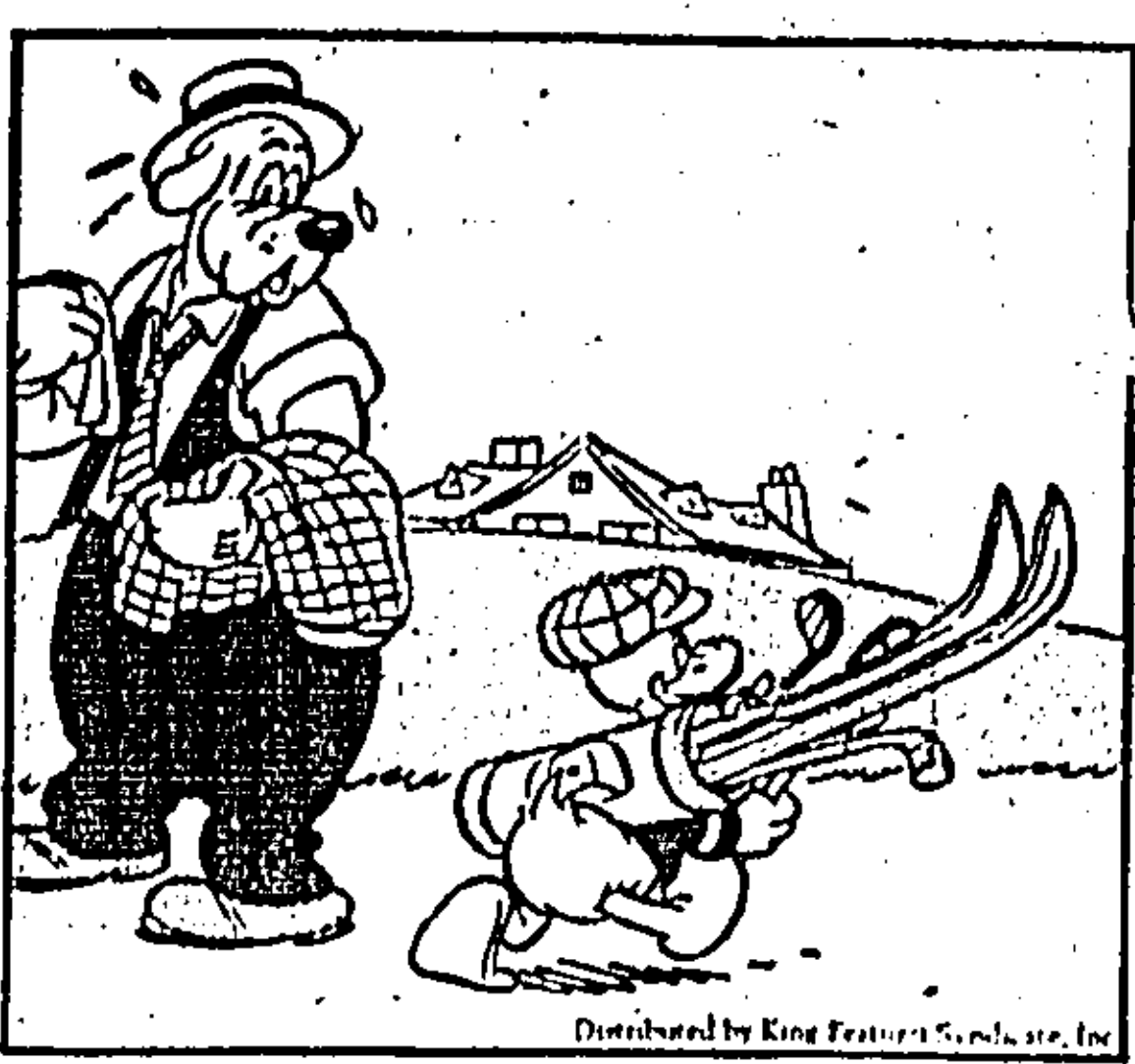
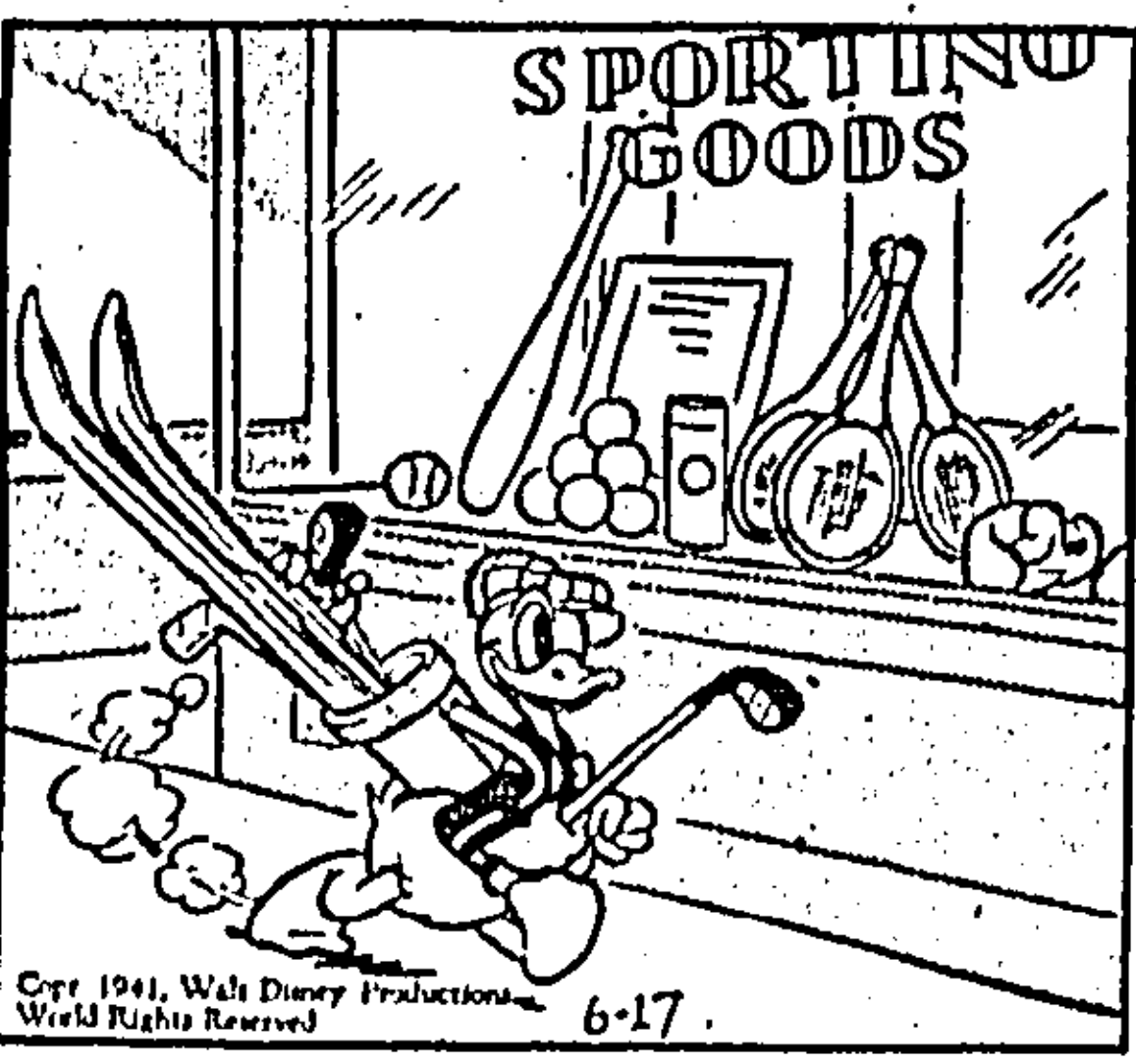
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CONTRACT BRIDGE

How to Play AND How to Win
By JOSEPHINE CUMBERTSON

A Silly Play

"LOCKING the stable after the horse is gone" is not any more logical at the bridge table than in other fields of activity. Unfortunately, West in the following deal didn't know how to apply an old adage to a new (to him) situation.

North dealer.
Rubber bridge.
Neither side vulnerable.

♠ Q 8 4 3
♥ 3
♦ A J 10 8 2
♣ A Q 7

♠ A 6
♥ A K Q
♦ 7 6
♣ 9 8 6 5 3

♠ K J 10 9 7 2
♥ 9
♦ K Q 9 6
♣ K 4

The bidding:
North East South West
1♠ 1♥ 1♠ 4♥
2♠ 5♦ 5♠ Pass
Pass Dbl. Pass Pass

The bidding requires little comment. East, with six clubs and five hearts, might well have overcalled originally in the longer suit, preparatory to bidding the hearts later, but in view of the great disparity in top strength, his action cannot be criticised. After West jumped all the way to four hearts (in a desperate but futile attempt to shut out the opponents) there was of course no need for East to mention his clubs. He rebid hearts to drive the opponents to the five level, but then subsided, feeling that he would have an excellent chance to defeat a five spade contract.

What East really hoped for, of course, was a diamond opening, which he would be able to ruff. West, however, could not quite visualize that situation. He did conclude that there was no great future in the heart lead, since his extreme length in the suit made it unlikely that even one defensive heart trick would be available. He compromised by leading the club jack. This lead seemed highly favourable to the declarer, who won with the king and immediately played two more rounds of clubs in order to get rid of his singleton heart. West countered this by ruffing with his worthless trump, but unfortunately for his side, his next action conceded the contract. Probably with the determined but chaotic thought that he would not let declarer get rid of another heart, West banged down the heart jack! Declarer ruffed, knocked out the space ace, and took the balance of the tricks with the greatest of ease.

West's lead of the heart after declarer had discarded a heart was an illustration of pure absurdity. With the singleton heart staring him in the face in dummy, it was reasonable to suppose that declarer would not have risked three club plays in order to get rid of one heart if he had held more than one! Thus, declarer's plays showed precisely two clubs and one heart. What was more likely than that he held four diamonds, which meant that East would be void in diamonds? It goes without saying that West should have shifted to a diamond in the certain knowledge that the shift could not cost a trick but that it might gain the vital trick.

To-morrow's Hand
North-South vulnerable:
North-South vulnerable:
♠ A 9
♥ A K 10 8 5
♦ A K Q 8 4
♣ 9

♠ K 4
♥ 7 2
♦ J 7 2
♣ A K 8 4

♠ Q J 9 8
♥ 10 6 3
♦ Q J 10 7
♣ 3 2

How should this hand be bid?

Crossword Puzzle

By LARS MORRIS

ACROSS

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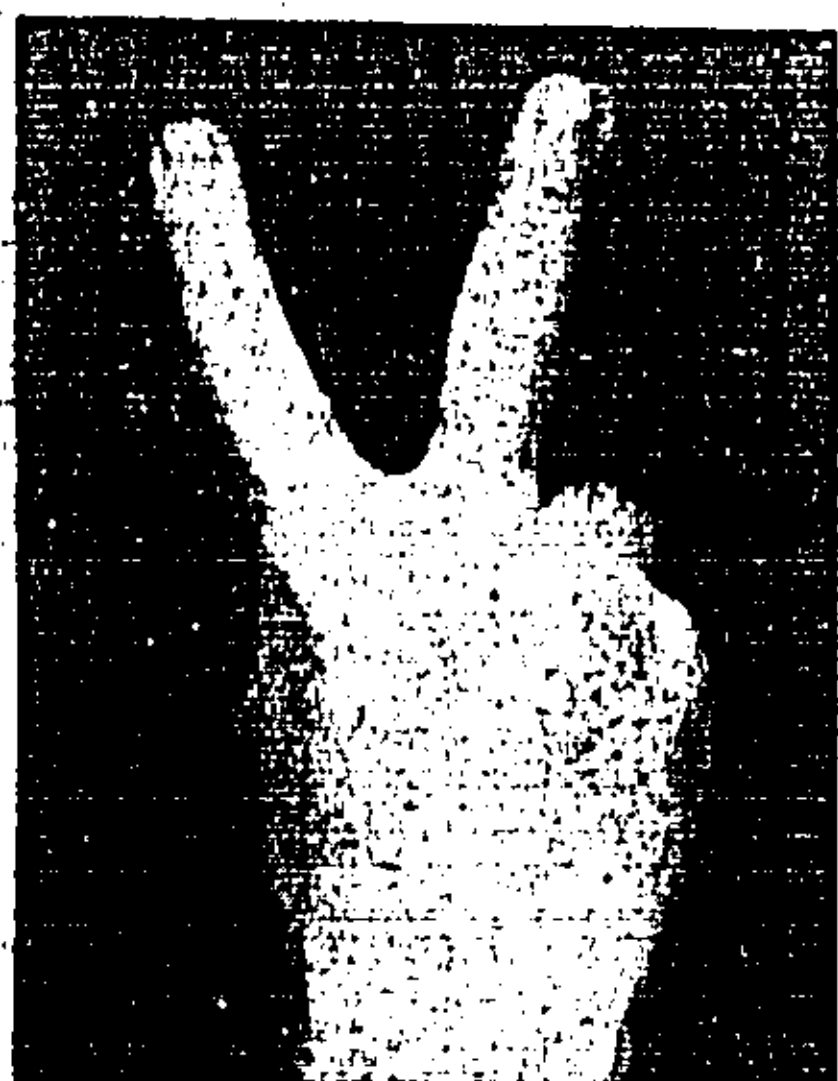
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WHAT "FREEZING" MEANS

IT is still too early to determine precisely the effects that the parallel action of the United States and the British Empire in freezing Japanese credits will have on Japan. But a very good idea can be gathered by quoting some figures.

In 1938, for example, 34.4 per cent. of Japanese imports came from the United States and 20.2 per cent. from the British Empire—a total of 54.6 per cent. On the other hand, only 15.8 per cent. of the Japanese export trade went to the United States and 19.9 per cent. to the Empire—a total of 35.7 per cent. These figures assume considerable importance when it is appreciated that the freezing of credits means (special licensing arrangements apart) that the Japanese are unable to continue imports from the United States and the Empire except to the extent they can acquire currency balances by exporting to them. As Japan has seen fit to adopt "freezing" reprisals, this factor is automatically eliminated.

The 1938 figures are by no means a true guide to the current situation, inasmuch as that exports from the British Empire have been greatly reduced by wartime necessity. For approximately nine months there has been no exporting to Japan of iron and steel scrap, nickel, platinum, cobalt, copper, aluminium, graphite, zinc, industrial diamonds, asbestos, mica, crossbred wool, copra, cotton, wolfram, rubber (except from Japanese plantations in North Borneo); from India iron-ore, chrome, bauxite; from Canada, zinc concentrates, lead, bauxite, and from New Zealand, wool. Additionally there has been a big cutting down in the export of pig iron, manganese and jute from India, lead from Burma, non-crossbred wool from Australia and South Africa. The biggest single Japanese exports are the silk which goes almost exclusively to the United States, the profits on which are essential for subsidising rice-growing, while next in export importance are cotton goods to the British Empire.

It is true that Japan has at her command through the annexation of Manchuria and parts of northern China additional supplies of raw materials and minerals necessary for trade or for the maintenance of her



Professor Huxley

THE problem of God has this—in doing away with all been troubling a great idea of *personality* of God, many people for a number of years, and now the war has rendered it acute.

In the most general terms, how can an all-wise and all-powerful Divinity tolerate war and cruelty and suffering on such a large scale?

The time is ripe for a real revolution in theological outlook; the idea of God will cease to have any real significance except to a small minority, and the religious impulse will be checked by theological difficulties.

THE reason we have reached this position is clear. It is, on the one hand, through our increase of knowledge and understanding, mostly but by no means entirely scientific knowledge, and our increase of control over nature on the other.

The ordinary intelligent man who knows anything about science can no longer believe in miracles, or the Bible story of creation, or the idea of a personal God making the forces of nature do what He happens to want. The facts of religious conversion, inspiration, and the like no longer seem to demand the personal intervention of a Deity, but can be understood rationally through our new knowledge about human psychology.

Primitive peoples personified facts of nature—the sun, the sea, love, wisdom. Later religions put the divine personalities behind the facts, not in them—Neptune behind the sea, Venus behind love. Still later all the different divine personalities were reduced to one—a single omnipotent God in control of all the forces of nature, including human nature. (That is an over-simplification, but is essentially true). And in the last few decades Divine Power has been receding further into the background. His control getting more and more indirect. His immediate contact with events more problematical, until God in the usual theological sense has faded into little more than a thin-spun metaphysical embroidery on the facts; rather as the Cheshire Cat in Alice in Wonderland faded into a mere smile.

I BELIEVE that the overdue revolution in theology consists simply in

war machine, but in this respect she has only started to scratch at the surface and products from these areas cannot hope to replace the vast imports from the democracies which are now denied her. How rapidly the effects of these economic sanctions are likely to be felt is difficult to estimate, but their very imposition is a grave threat to the future of Japan, and one which is going to have a more salutary result than a thousand official protestations from Washington and Whitehall.

GOD AND THE WAR

Science And Religion

BY JULIAN HUXLEY

Famous Biologist and author of many brilliant contributions in the field of modern scientific reasoning. He is Secretary to the Zoological Society of London.

matter and material law—something external, given, and inexplicable.

THE Third Person represents something equally given and equally inexplicable, but internal—man's abstract ideas of truth and righteousness, those categorical imperatives of the spirit which well up to impose a moral law, those feelings of inspiration or communion which arise when untapped elements of mind suddenly make contact with the organised self or ego.

Death, the untamable forces of nature, suffering, the pressure of social tabus, blind fate, standards of truth and righteousness—all these and much else can enter into the complex of facts and forces which impinge on the mind of man; man's tendency to organise his knowledge and his feelings, his desire for understanding and for propitiation, his ideals of virtue, his complementary instincts for self-assertion and self-abasement—these and much else enter into the reaction of his mind to the external complex of forces; and finally it is his capacity for experiencing things as sacred which makes the reaction a religious one.

ONCE the personality is taken out of God, most of our theological troubles disappear. God is no longer all-wise, all-powerful, all-loving. It (for we cannot now say He) is no longer unchanging or eternal. God, like science, say, or art, becomes a product of evolving humanity and must evolve with it. It is a reminder that we live in a world of external and alien fact, capable of giving us cruel knocks and resisting our wishes. It is a reminder that the framework of our life is bigger and more extensive than our individual selves, or than our separate nations or communities. It is the result of collective experience, and represents a collective pool of wisdom and comfort in which the individual can refresh himself. Since it incorporates our abstract ideals of righteousness, truth, and so on, it reminds

us that there is something universal in the world which transcends all particularity, of time or space or human variety.

Since it incorporates our aspirations, it is an urge to a better life. Since it reminds us of the existence of general ideals and of particular efforts to realize them, it is a support and comfort and a very present help in trouble. Since ideals can only be set up on the basis of generalising from particulars, the idea of God must include our individual aspirations, our concrete acts of love and understanding, our separate attempts at righteousness. Thus God is what the theologians call immanent as well as transcendent: the Kingdom of God in its most essential aspect is within us, and there is a real sense in which we, as individuals, can be united with God.

AND the difficulties fall away. God, in the sense in which I have used the term, is made by man, not man created by God. If there is suffering and war, it is because we have not made our God good enough, and not believed in it actively enough. When we look back on the history of religion, it is clear enough that God does change. Jehovah was a much better God than the cruel God of the Aztecs or the all-too-human Gods of ancient Greece; but the Christian God was a considerable improvement on Jehovah. In this fact that God can change and develop, lies the central hope of religion for the future.

New Super U.S. Dive Bomber

By Dan Rogers
United Press Staff Correspondent

BUFFALO, N.Y., July 28 (UP).—The United States has a dive bomber that can outperform any aeroplane in the world, including the famed German Stuka, according to experts here.

Built by Curtiss-Wright Aeronautical Corporation, the bomber does not have a name yet. It has only experimental number XSB2C-1 for the Navy acceptance tests. Lieut. Hugh R. Nelman, Chief Navy Inspector at the Curtiss-Wright plant, said the bomber had surpassed the Navy's hopes.

"As far as I personally am concerned," he said, "I'll not rest until our Navy carriers are filled with these ships. It is the sweetest dive bomber ever built."

Speediest Built

The plane is said to have a top speed 100 miles an hour faster than existing types, and the ability to fly twice as far and remain in the air four and a half hours longer than any present dive bombers. It carries a bomb load of 2,000 pounds against a German Stuka's 500 pounds.

The ship is powered with a Wright cyclone motor which turns up close to 2,000 horsepower. It is armed with a power-operated machine-gun turret sweeping a full circle.

The ship's top speed never has been reached but it probably can dive in excess of 500 miles an hour and safely withstand the pull-out. This correspondent rode the gunner's cockpit of the bomber in a dive from 7,000 feet to 3,000 feet recently. The pilot was Lloyd Child, Curtiss-Wright chief test pilot who once dived at 575 miles an hour.

Trial Dive

After strapping on a parachute and signing a release in case of accident, I climbed into the gunner's seat and Child gave the ship the gun. Soon we were in a steep climb and within a very short time had reached 7,000 feet. Child looked at me and smiled. We were "going over the hump." The altimeter began spinning and the wind screamed past. Nose down, we seemed to be tearing at the earth.

Had I been the rear man on a bombing mission it would have been my duty to warn Child through the communication phone when we reached 3,000 feet by shouting "mark." Thus we could pull out of the dive between 3,000 and 2,500 feet and not be destroyed by our own "bomb." The bomb goes at 2,500 feet.

GRIN AND BEAR IT By Lichty



"I hate Ladies' Day—women can always think of nastier insults to scream than men!"

Puppets Follow Tokyo Lead Against Anglo-U.S. Assets

Special to the "Telegraph"

PEKING, July 28 (Domei).—Acting in line with the Tokyo Government, the Japanese Consulate-General in various parts of North China to-day announced the control of business transactions between Japanese residents and the nationals of designated foreign countries including the United States and the Philippines and Great Britain.

British Dominions will be included in the affected foreign countries upon receipt of official reports. Similarly, the North China Political Commission has also taken similar measures with the Chinese people in order to co-operate with the Japanese.

As the result of the measures, the permission by the Japanese Consulate-General or the North China Political Commission will be necessary for business transactions between Japanese residents and the nationals of foreign countries designated in North China. It is understood that the living cost for one family will be limited to Yuan 500 of the Federal Reserve Bank currency per month.

The measures will not affect the transactions among the nationals of third Powers themselves including those of designated foreign countries.

Korea Follows Suit

SEOUL, July 28 (Domei).—The Korean Government-General announced immediate promulgation of the regulations controlling the transactions by foreigners within Korea. The action is taken as a counter-measure against the American freezing of Japanese assets.

Surprise

SINGAPORE, July 28 (Central News).—Local Japanese circles were surprised and perturbed by the rapidly with which Britain followed America in issuing the freezing order.

The Japanese Consul-General, Mr. Ken Tsurumi, admitted that considerable "inconvenience" would be caused to Japanese business in Malaya. He added that the Japanese people in Singapore remained quiet and he had not yet received any instructions from Tokyo.

Managers of the Japanese banks here conferred with the acting Controller of Foreign Exchange this morning.

An official of the Yokohama Specie Bank pointed out that business between Malaya and Japan has been practically at a standstill for some time and consequently Japanese assets in Malaya affected by the order are likely to be small.

Ships of the O.S.K. and N.Y.K. continue to call at Singapore, pending instructions from their head offices.

Roosevelt's Warning

Emphasised By Press

SPECIAL TO THE "TELEGRAPH" WASHINGTON, July 28 (UP).—In an editorial to-day the "Washington Post" stated, "Roosevelt's action in placing the Philippines land and sea forces under United States command for the duration of the emergency is a further warning to Japan, if any more were needed, that this country intends to defend its Far East interest with all the resources at its command."

The "Baltimore Sun" in an editorial asserted that the orders to the Philippine army were "likely to impress Japan and just possibly exert some sobering influence in Tokyo at a moment when sobriety in outlook and decision is most needed in the Far East." It stated that the Philippines, together with the British and Dutch bases form a quadrilateral "which even the most ambitious Japanese strategists are bound to respect."

Nazis Deny Plan To Attack Turkey

LONDON, July 28 (Reuters).—The official German news agency to-night issued a denial from "competent quarters" of the Moscow announcement that secret documents had been taken from German troops showing that "Hitler planned to attack Turkey."

Such documents, it was declared, do not exist.

Equine Sports Club Plans Expansion

Very Successful Year

A large number of members were present at the annual meeting of the Equine Sports Club, which was held in the clubhouse at Sha Tin on Sunday afternoon.

In the course of his speech, the Acting President, Mr. T. J. Hemsley, referred to the rapid growth of the Club and put special emphasis on its international membership. He said (in part):

"To-day marks the end of another successful year. Some of you will remember the formation of this club, some six years ago, with an original membership of about twenty. To-day we have nearly two hundred members. In spite, however, of the lapse of time, and its rapid growth, the Equine Sports Club remains essentially as it was originally formed: that is, a club for horsemen irrespective of their class or creed or (in happier times) of their nationality."

Turning to the balance sheet, you will notice an item under "Expenditure," of \$10 shown as "donation to War Fund." This, of course, is not a true measure of the extent of the Club's war effort. Actually, the total amount contributed to the Fund during the year has amounted to \$2,320.50, a total which compares favourably with the amounts raised by other clubs in the Colony.

New Grounds

"This year there is a new item under 'assets' which deserves your special attention. It is the value of a piece of land purchased by auction about three months ago. I think that most members are aware that the Club had bought this area of ground, and a fair number have inspected the site, which is at Tung Lo Wan, just beneath the Indian Farm. On this land it is intended to erect a new clubhouse and stables, etc., and lay out a paddock and garden."

Plans for the development of the area, on these lines, have been studied by the Committee, and it is hoped that in the near future work on the site will be put in hand.

Of course it will be realised that the erection of a new club house and ancillary buildings will be expensive, and the means of raising funds for the work will need careful consideration. I am confident, however, that whatever financial scheme is eventually decided upon by the new Committee will receive the full support of Club members.

After the motion to adopt the report and balance sheet had been seconded and carried unanimously, the meeting proceeded to the choice of officers and members for the ensuing year. The following were elected:

President, Mr. T. J. Hemsley; Vice-President, Mr. J. R. Lethbridge; Secretary, Mr. E. G. Collins; Committee, Messrs. A. Bone, R. Buchanan, C. T. Chan, J. C. Gill, F. W. Grinter, H. P. Lim and D. Visser.

Golf

Summer Foursomes At Happy Valley

T. B. Low (11) and R. K. Collings (6) won the Royal Hong Kong Golf Club's First Summer Foursomes at Happy Valley on Sunday when they beat A. L. Powell (18) and W. J. Buller (11) three and two.

Second Competition

The following were first-round results in the Second Summer Foursomes competition at Happy Valley: A. McKeller (6) and P. Hillon (17) beat R. Stock (15) and G. W. Sewell (11) four and three; S. L. Lloyd and A. D. Humphreys v. N. J. Bebbington and G. Gellaly not yet played; T. B. Low (11) and R. K. Collings v. Y. Greaves (11) and D. J. Valentine (12) four and three; G. E. Willerton (12) and T. J. Price (9) beat A. J. MacFayden (10) and W. Muir (14) four and two; D. Wana (12) and J. W. Macdonald (7) beat K. S. Robertson (5) and R. S. W. Paterson (12) one up; H. H. Mundy (9) and W. Stoker (10) beat H. Smith (8) and E. Greenwood (18) three and two; D. Morrison and F. D. Hunter received a walk-over from F. C. Barry and W. Ahern, who scratched.

ITALIAN FLIER REPORTED DEAD

ZURICH, July 28 (Reuters).—General Federigo of the Italian Air Force has been killed in air combat, reports the "Neue Zuercher Zeitung."

Federigo took part in many bombing raids including those on Haifa and held a silver medal for gallantry.

Indian Trade With Japan Threatened

SIMLA, July 28 (Reuters).—The Government's decision to freeze Japanese assets in India and similar action by the Japanese Government in respect of Indian assets in Japan is expected by well-informed circles to lead to a complete cessation of Indo-Japanese trade.

Indian exports to Japan for the year ended March 31 last totalled £275,200 and imports from Japan amounted to £1,610,100. Although no mention of trade is made in the order of either government, it is probable that the freezing orders will not affect the goods which are ready for shipment or which have already been paid for by either country.

Present Convention

The order of the Government of India does not affect Japanese goods for which payment is already made. No trade agreement exists at present between India and Japan but a commercial convention requires that Japan take from India cotton to the value of India's import of Japanese textiles.

The convention is now under six months' notice of termination.

Cycle Time Trial Prizes

The prize distribution to winners of the 25-mile bicycle time trial, held on the Castle Peak Road on July 9 took place at the Chinese Y.M.C.A. Kowloon, yesterday, Mr. G. P. Murphy, Chief Air Raid Warden for Kowloon making the presentation.

Prize-winners were: 1. A. J. Sandberg, La Salle College; 2. Kwong Man-ai, St. Joseph's College; 3. Yip Wing-kin, St. Joseph's College.

Prizes were presented to the following schools: 1. La Salle College; 2. St. Joseph's College.

Two penants were presented to two girls who also competed. They were Miss Heung Siu-chung and Miss Chiu Yee-ling, of the school of Practical Accountancy.

PROBABLE WORLD CHAMPION

Vancouver, July 27. The Royal Canadian Henley Regatta at St. Catherine's, Ontario, to-day revealed that Ted Dubois, of Winnipeg, is the likely successor to Joe Burk the world premier sculler.

Dubois won the single sculls beating Joe Anygal, of Brooklyn, America, after a stern race over a mile and 550 yards in 8.10. Dubois beat Anygal in the recent American championship and last year was second to Burk for both the American and Canadian titles. Buffalo West Side had more successes on the last day of the regatta and won the team honours for the second successive year.—Reuters.

WELLINGTON KOO AT LUNCHEON IN LONDON

LONDON, July 28 (Central News).—Dr Wellington Koo, Chinese Ambassador in London, was the guest of honour at a luncheon to-day given by Mr Lee Teh-yeh on behalf of the Bank of China.

At the function, the Bank of England, the Chartered Bank, the Hongkong and Shanghai Bank and the Chase Bank were represented by their chiefs. Sir Leith-Ross, on behalf of the Ministry of Economic Warfare, and Mr MacGowan, on behalf of the Export Credits Department were also present.

Chinese guests included Dr P. W. Kuo, Administrative Vice-Minister of Finance, Mr Wunsz King, Chinese Minister to Holland, Mr Chen Wei-chen, Counsellor of the Chinese Embassy in London, Dr Wang Ching-chun, Director of the Chinese Government's Purchasing Commission in London, and others.

Last week, Dr Koo was received by the Queen and saw all the members of the War Cabinet.

U. S. Shore Stations Bill Approved

WASHINGTON, July 28 (UP).—The Senate Naval Committee has approved the Bill for \$24,929,000 worth of improvement on naval shore stations, including Cavite, which has already been approved by the House of Representatives.

Defence Bill Passed

WASHINGTON, July 28 (Reuters).—The new \$8,003,000,000 defence appropriation Bill was passed by the House of Representatives to-day and sent to the Senate.

The Bill includes \$4,700,000,000 for the Army to equip and maintain a total of 1,727,000 men plus critical items for a 3,000,000 men army.

The Navy will get \$1,500,000,000 and the Maritime Commission \$1,000,000,000 for the construction of 541 cargo boats and the acquisition of 350 others.

DE GAULLE IN BEIRUT

Freedom Of Lebanon

LONDON, July 28 (Reuters).—"It is right, just and practical to establish the real sovereignty and independence of Lebanon not only for the sake of Lebanon but for the sake of France herself," declared General de Gaulle in a speech at Beirut to-day.

General de Gaulle was addressing a gathering representative of the religious, political, social and economic life of Lebanon, according to a dispatch to the Independent French Agency.

The General added: "Our presence among you means that France will co-operate with you to defend your liberties against those who threaten them. If for strategic reasons our brave Allies, the British, have come here with us, it is to help us to fulfil our age-old task as we are helping and will continue to help them in other territories."

MacArthur Takes Over

P. I. Military Talks

MANILA, July 28 (Reuters).—General Douglas MacArthur, who has been appointed Commander-in-Chief of the United States army in the Far East, conferred with staff officers and President Quezon to-day.

President Quezon has handed over his presidential yacht to the United States Navy for use as a minefield patrol ship.

Consul's Statement

MANILA, July 28 (Reuters).—The Japanese Consul in Manila stated to the press to-day that Japan wants peace unless she is provoked beyond human endurance.

The Japanese will not fight. There is no sense in fighting because the winner will lose in the end.

Quezon's Approval

MANILA, July 28 (Reuters).—President Quezon has telegraphed Colonel Henry Stimson, Secretary for War, voicing ratification at the appointment of General Douglas MacArthur and repeating his pledge of loyalty to and co-operation with the United States.

A significant note is that the Socialist communities of Pampanga, known as the Philippine "Red Belt," have issued a joint statement pledging loyalty to the United States and their readiness to fight under the leadership of General MacArthur against all foes of democracy.

Europe's Cost Of Living

Expensive Clothing

VICHY, July 28 (Reuters).—The most striking rises in retail prices in European countries since the beginning of the war have occurred in clothing, according to the July Statistical Bulletin issued by the League of Nations, says a Bern dispatch.

In Germany, where the general cost of living index has only risen six per cent, between the first six months of 1939 and May, 1941, the increase in clothing costs was 17 per cent.

In the United Kingdom and Denmark there was an increase of 72 per cent, in Finland and Norway 50 per cent, and in Yugoslavia 103 per cent.

Menzies Still Aussies' Choice

CANBERRA, July 28 (Reuters).—An overwhelming majority of the Australian United Party which won the Country Party comprises the Commonwealth Ministerial Party spoke in favour of Mr Menzies and requested him to continue in his leadership of the Party.

At the close of the meeting which was somewhat stormy and lasted five hours, Mr Menzies announced that he was making an aeroplane tour of South Australia, West Australia and Tasmania, which parts he had not visited since his return from America and England.

INDIAN TRADE WITH IRAQ

SIMLA, July 28 (Reuters).—It is announced that the Viceroy Lord Linlithgow, decided to depute Mr Mohammed Hashim Ismail, Indian Trade Commissioner of Bombay, to visit Iran on a short exploratory trade mission.

Gib. And Algeciras Exchange Courtesies

GIBRALTAR, July 28 (Reuters).—A very friendly atmosphere characterised the first visit to General Lord Gort of the newly appointed Governor of Algeciras, General Don Fernando Barron Yorlitz.

The Guard of Honour was mounted and Naval, Military and Air-Force staffs and Colonial Government officials were present.

The Governor was given a 17-gun salute upon his arrival and departure.



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"Ball Fan's" Baseball Notes

Chung Hwa Maroons' Improved Display

South China Downed 6-3: Steady Hurling By Moundsman Al Lau

A real bitter mixture of bad rainy weather and front office upheaval, coupled with the absence of the Asheville-Tulsa combination from port was enough to limit the week-end baseball card to one solitary game, as the former seven team loop continued to limp its way toward the season's end.

Chung Hwa's fighting Maroons clipped through with another win as they set the South China gang down 6-3. It was the second Maroon win in the "All Chinese classics."

Acting On Misinformation Received..... Reasons For Wrong Baseball Schedule

It is felt that an explanation should be forthcoming from this column to those who read the baseball gossip on Saturday in regard to the weekly baseball schedule which did not coincide with the one eventually and officially set by the League Secretary.

Deepest apologies are offered to those Mindanao players who appeared at the ball park on Sunday around 9.50 a.m., expecting the game to start at 10 a.m., to the members of the Chung Hwa Maroon team who were erroneously scheduled to play two games over the week-end, to Dave "Dixie" Walker, popular Cardinal coach and a real fellow, and to those ball fans who may have appeared at the Chatham Road park expecting the game to start at 10 a.m.

Information was definite as late as Friday by the League Secretary that the games, as printed, were to be played over the week-end.

But on with the story.—A league meeting was held on Friday for the purpose of revising the schedule after the black spot inserted into the local baseball annals—the previous couple of weeks.

But what was run into at this meeting called to revise the schedule?—You guessed it, ball fans—into a typhoon. Yes, sir, a typhoon of words regarding the H.B. Mindanao affair, with the "gab gab gabbing" see-sawing from one side to another.

During the short interim when the general committee were in private confab, the League Secretary was asked for the two-day baseball card to be played over the week-end.

He said that the Chung Hwa Maroons were playing two games, the first against South China on Saturday, and against Mindanao's terrific M on the Sabbath morn.

It was discovered on Saturday after reading the morning paper that Welfie Welford's Royal Engineers were taking on the terrific M at 11 a.m. on Sunday.

Although a writer may be just one of the many, many plain "nobodies" in this peculiarly-customized colony, the League Secretary, in the interest of local baseball, for those teams that make-up the league and for ball fans in general, should have at least made an effort to inform this column of the change, coming as it did just after being told otherwise.

However, it is felt that ball fans, those who really make the game,

GRANDPA Leung's Chung Hwa nine rode confidently to the gates of victoryville in the opening stanza, marking up four big tallies on the "Coca Cola" scoreboard.

Veteran Dick Chung, making a welcome return to the Maroon lineup, slammed out a rousing triple to start off this high-scoring inning. Forrest Leung and Bill Chang both walked to fill the bags, putting South China hurler Paul Lau in the well-known "tough spot" at the outset.

Morocco Chan's driving bingle to left drove in two runs and Bill Chang breezed across the platter with another tally on Hal Winder's wild part. Al Lau filed to center-field for the first out in this eventful 1st stanza but another Maroon run crossed the plate when Morocco Chan sped home on "spectacle" Shum's bingle over second. Willie Woo hoisted to left and T. Y. Ho's infield out, ended the winners' high-scoring inning.

The Chung Hwa men finished off their scoring session for the day with two more runs in the 3rd frame, on two hits and a walk, with "Hy" Lo and Dick Chung whizzing by the pay-off man on Morocco Chan's timely line drive.

In the 5th canto after Pat Wong, South China centerfielder had popped to short, Maroon twirler Al Lau weakened momentarily to walk Dopey Lo and Ernie Moy. Paul Lau

Saturday's Stars

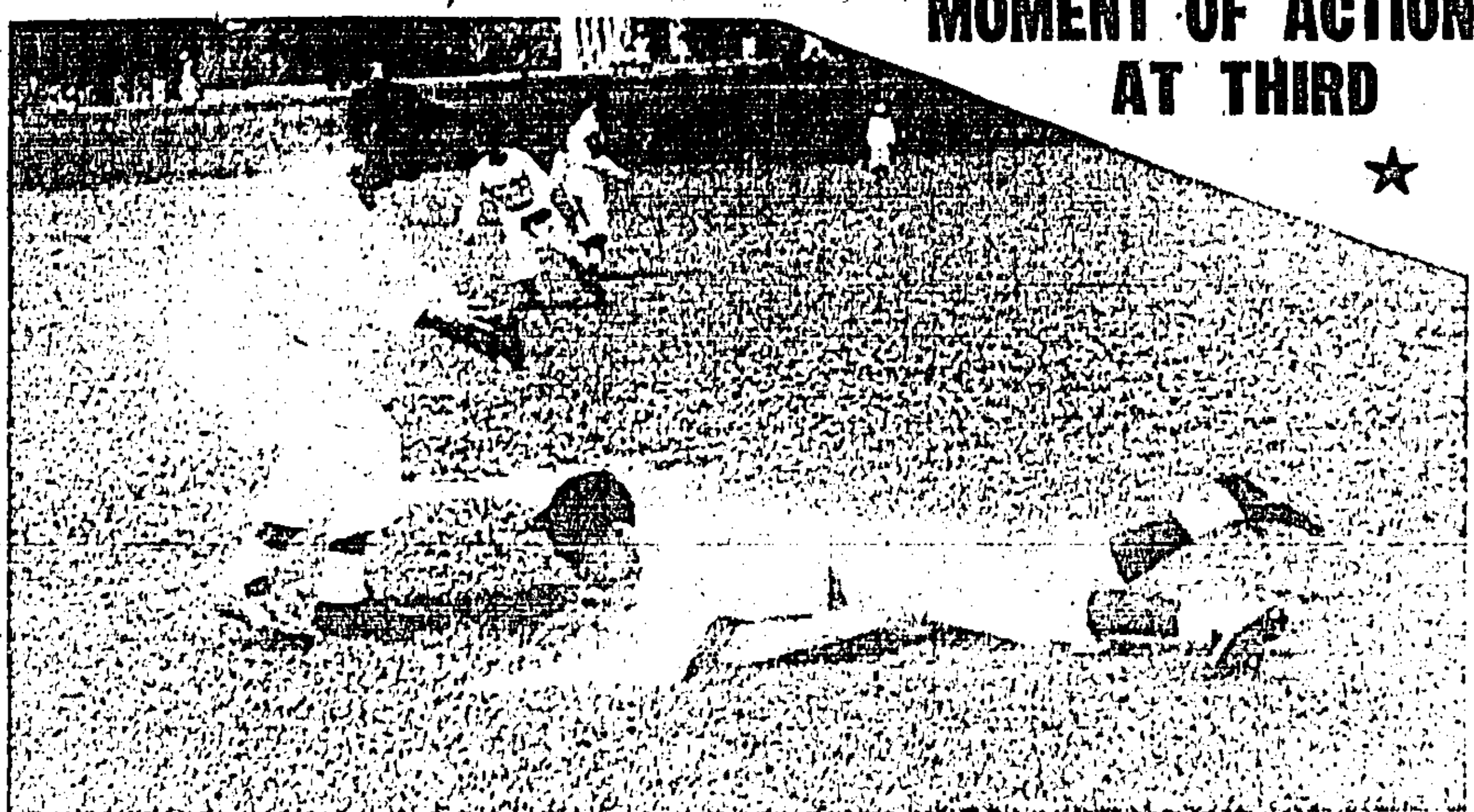
Al Lau and Dick Chung, Chung Hwa Maroons—Former hurler and other steady game to chalk up his second victory over the South China nine, limiting the Caroline Hillmen to three scattered hits; latter made a welcome return to the Chung Hwa lineup, leading the winners' clouting attack with a sizzling triple and a single.

hoisted an easy one for the second out, but Cecil Winglee took first on a "four ball swing" to fill the bags. Nelson Ma's sizzling single drove in Dopey Lo with South China's first tally of the game. The excitement died down when Ernie Moy was caught stealing home for the last out.

The Caroline Hillmen added two more runs in the last of the 7th inning, in a desperate bid to pull the game out of the fire.

In spite of the fact that regulars Wally Ching, P. F. Choy and Hank Chan were out of the lineup, the Maroons played confident ball behind the steady hurling of Al Lau who limited the weak-willed South China gang to three measly blows. The spectacular moundsman showed flashes of speed in "laying 'em over" and appears to be improving rapidly with each game.

those who go out to the ball park regularly, those who bought season tickets and were expecting to see a real baseball season—yes sir! They are the ones who have been taken for the toughest ride.



MOMENT OF ACTION AT THIRD

Water-Polo

SIGNALS HELD TO DRAW BY MIDDLESEX "A"

DESPITE having attained a lead of 4-1, Signals' unbeaten leaders of the Water-polo League, were held to a 4-all draw by Middlesex "A" in the Army pool yesterday. Middlesex opened the scoring but in the early stages of the second half, poor marking had cost them four goals. They staged a rally, however, and two quick goals and then a long shot from Ure from over the half-way line saw them draw level at 4-all.

Other Games

Navy "C" beat Middlesex "B" 3-1, scorers for the sailors being Hulsh 2 and Wilson. Holdford replied for Middlesex.

Win For R. Scots "A"

Royal Scots "A" met their "B" team and emerged winners by the odd goal in five. Gray, Millar and Hunter registered for the "A", while Laws and Morris tallied for the "B".

Dick Chung, Chung Hwa Maroons, sliding back to third base in their Baseball match at Kowloon park on Saturday. Texaco Ng ready to nab the throw from catcher.—Ming Yuen.

Touring Chinese Lose Second Soccer "Test"

Leading 2-1 at Half-time; Beaten 4-2: Woo Injured

LOSS OF C. S. WOO, left-half, through injury, probably cost China the second Soccer Test at the Sydney Cricket Ground on July 4.

Australia won 4-2, but when Woo went off 25 minutes from the end, the scores were 2-all and it looked anyone's match.

Woo received a kick in the chest and was badly bruised. He could not say how it happened. A crowd of 24,337, who paid £2,139, had many thrills.

China scored in the first three minutes, and led 2-1 at half-time.

Clever Forwards

EVERY man in the Australian team played his part. The forwards, Crowhurst, Wilkinson, Quill, Hughes, and Wynn, kept the ball swinging purposefully from wing to wing.

The thrustful methods of the half-backs, Bryant, Coolahan, and Osborne, provided many scoring chances.

The Chinese half-backs, R. Chang, Sung, and Woo, were clever, too. But the visitors had no chance when Woo left.

All the clever scheming and dash of the Chinese centre-forward, Hyul, and his inside supports, Fung and Lai, backed by the methodical distribution of centre-half Sung, was frustrated by the excellent defence of Wallace, Evans and Morgan.

The Chinese goalkeeper, Y. Chang, made some of the finest "saves" ever seen in Sydney. He dealt confidently with shots fired in from all angles by Wynn, Hughes, and Wilkinson in the first half.

The Chinese were at their best in the first three minutes of play. Lal made an opening for Hyul. This feet-footed centre-forward evaded Coolahan and swept the ball across to Taso, who beat Morgan with a terrific drive.

Wilkinson carved a perfect opening for Hughes to level the scores.

Next, Hyul lobbed the ball over Morgan's head when the Australian keeper ran out to meet the oncoming Chinese, and gave China a 2-1 lead at half-time.

China's Missed Chances

AUSTRALIA looked the better team in the early part of the second half, and after clever passing, Wilkinson made it 2-all from a pass from Crowhurst.

Several times the Chinese forwards lost chances through seeking easier scoring positions. Morgan brilliantly saved hot shots from Hyul and Lal.

Then China, weakened by the absence of Woo, was unable to cope with the Australian attacks.

Crowhurst dashed ahead and sent a perfect pass to Quill. The centre-forward was too quick for goalie Chang, and Australia led 3-2.

Then Hughes skillfully headed a high centre from Crowhurst into the net, and the game was as good as over.

Mr Peter Woo, co-manager of the Chinese team, said: "The field was too small for the Chinese style of play. It was unfortunate that we had to play with 10 men in the second half. I think we will win next Saturday."

J. B. Evans, the Australian captain: "It was a clean, hard-fought game. The better team won, though until the Chinese lost Woo the play was even."

AUSTRALIA 4 (J. Hughes 2, Wilkinson, Quill) beat CHINA 2 (Taso, Hyul), at Cricket Ground.

Teams—Australia—Goal, W. Morgan; full-backs, J. Wallace, J. Evans; half-backs, R. Bryant, W. Coolahan, J. Osborne; forwards, J. Crowhurst, J. Wilkinson, A. Quill, J. Hughes, M. Wynn.

China—Goal, Y. Z. Chang; full-backs, Y. B. Hsu, T. S. Lee; half-backs, R. H. Chang, L. B. Sung, C. B. Woo; forwards, S. Y. Young, K. C. Fung, Y. K. Hyul, S. W. Lai, C. T. Tso.

Basketball's "Big" Game Slated For To-morrow South China v. Sing Tao

ON THE AGENDA as the basketball classic of the year, Hongkong's rabid cage fans are once again eagerly awaiting the opening whistle to set off the "game of games," when the smooth working Sing Tao basketballers tackle South China's classy cagers in a spotlighted tilt of a two game card, to-morrow night at the Kowloon Chinese Y.M.C.A., Waterloo Road, at 8.30 p.m.

Games Played Yesterday

Competition for the Wu Teh-chen Cup in the summer basketball league began last night at the Chinese Y.M.C.A., Kowloon, when two matches were played. General Wu's Secretary, Mr Tong Siu-huen, tossed the first ball. The half-time scores were 27-14 in favour of Wah Kiu. Outstanding player was Ting Chan-hon (Wah Kiu) who played right wing and scored 24 goals.

Second Match

The second match was between Black Cats and Kowloon Residents Union, the former winning 48-37. The half-time scores were 24-18 in favour of the winners. Leung Wai-hung (Residents) playing right wing, scored 10 goals. Black Cats had two brilliant players in Li Pui-wing and Leung Kwok-yiu who between them scored 31 goals.

Speedy Quintet

THIS year's edition of the South China quintet have speed in abundance, ball-handling ability in its high class form, trained to the limit and have a fighting spirit that will be hard to beat.

Sing Tao rely on a veteran team of experienced ball-handlers who have played together for many years. The newspaper quintet plays a slow revolving game centred around the pivot play of ace guard Leung Kok-fok.

The Caroline Hillmen have a sprinkling of veterans to augment the starry youngsters and should gush through with thrilling basketball in their first tough game of the season.

The veteran Poon Yee-kwan, another old timer in the ranks of local cage circles, will round out the Sing Tao defensive duo, giving the strong cagers from across the bay, a steady guarding unit.

League officials expect to handle a capacity crowd in this "all out" game with the admission price set at thirty cents. Season tickets, embracing the entire schedule can be bought for \$4.70 at the Kowloon Y.M.C.A.—Bill Woo.

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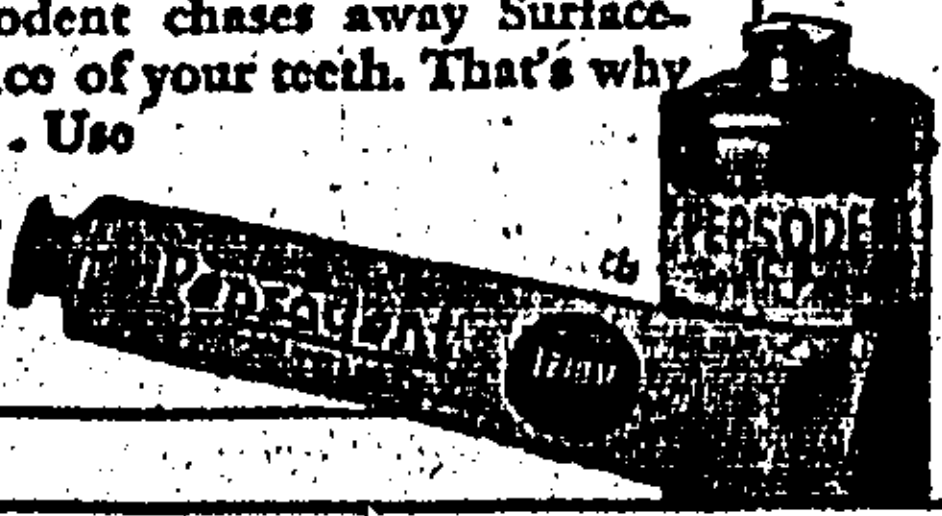
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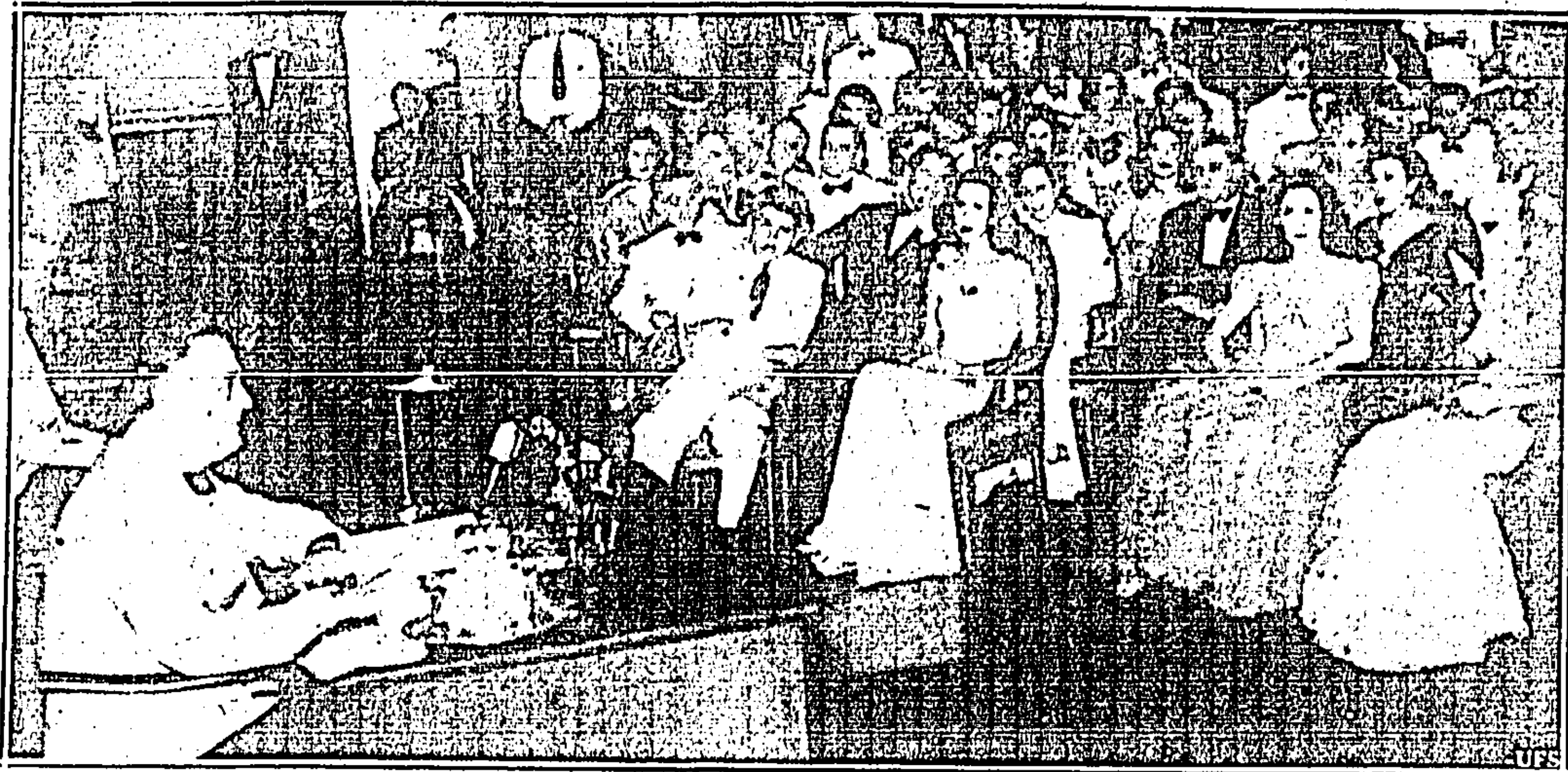
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NANCY

By Ernie Bushmiller



UNLIMITED EMERGENCY—This wire picture from Washington shows historic scene as President Roosevelt, left, announces in radio address he has declared "an unlimited national emergency exists." At right is audience of Ambassadors, Ministers and other distinguished guests from American republics and Canada. Scene is East Room of White House.

G.B.S. On Hitler And New War

"Either Hitler is a greater fool than I took him for, or he has gone completely mad," declared the famous Irish playwright, George Bernard Shaw, recently. "Why people seemed to think that Hitler would beat Russia I cannot imagine. The news of the war between Russia and Germany is beyond anything we could have hoped for."

"Yesterday Britain and America faced a tremendous job in smashing Hitler with Russia looking on and smiling. To-day we have nothing to do but sit and smile while M. Stalin smashes Germany. Now you will see what will happen. Germany hasn't a dog's chance."

Bomber Flown Home By Observer

In an attack on the submarine base at Den Helder, a pilot was severely wounded. His observer, although also wounded, took over the controls while the aircraft was flying at 50 feet. When he had the aircraft flying in formation, almost home, he sent out a request for an ambulance to be ready. He dropped the pilot in his seat. Guided by the observer, the pilot then brought the aircraft safely down.

First "Luftwaffe" Separation Suit Comes Before Courts

MRS F. HUGH TREHERNE-THOMAS, evacuated to Canada with her two children from their home near Swansea last summer, provided the New York Supreme Court with its first "Luftwaffe separation case," says the "Daily Express."

She has rejected the plea of her husband to return to Britain and is suing for a separation. Mr Treherne-Thomas is a manager at the Swansea works of Richard Thomas and Co., the steel and tinplate makers. He lives at Killay, a Gower Peninsula village near Swansea. His wife was formerly Miss Margaret Wherry, of New York.

Mrs Treherne-Thomas told the court that her husband had demanded she and the two children, Rhoda, aged thirteen and David Hugh, aged seven, should return home, but she preferred to keep them safe from bombing.

Since last December, she said, her husband had written so insistently accusing her of violation of duty that his letters constituted "cruel, inhuman treatment."

Husband's Letter
Mr Treherne-Thomas's lawyers asking for dismissal of the suit, argued that letters could not constitute cruelty.

They alleged that, when the husband consented to his wife and children going abroad, the agreement was that she should return as soon as the children had been placed, and that the agreement was for them to live in Canada, not the United States.

The wife's place, they said, was by the side of her husband, not in New York.

One of Mr Treherne-Thomas's letters was read in court. It said: "Home is home no longer, and never will be until you return, and you can live happily together like forty-six million other people, more especially with all the favours of wealth and luck that have been showered on us in providing a beautiful home and all the chances of a happy family life."

On the defence plea that the suit should be dismissed because it was outside the jurisdiction of the New York courts, Judge Isadore Wasservogel reserved his decision.

Where To Find A Man: Official

The U.S. Census Bureau has issued a pamphlet of interest to single girls in search of adventure, travel, and husbands, says a Washington report.

The pamphlet advises lonely American girls that: There are only 5,885 white women in the Panama Canal Zone—and there are 27,000 white men.

In Hawaii there are 39,000 white women and 64,000 white men.

Alaska has 13,500 white women, 25,500 white men.

Guam, U.S. Pacific Island outpost, has 204 white women, 580 white men.

Queen's Visit To Eagle Club

The Queen recently visited the American Eagle Club in London and talked with Americans serving in the Canadian Forces.

She was amused when she chatted with a sailor who said he had been serving in a destroyer for several months.

"It is very hard work," said the Queen. The sailor replied: "Not when you get used to it. I thoroughly enjoy it now, and I think I can make a nice line in 'plum duffs'."

U-Boat Ace No. 1, Missing

Kapitan-leutnant Gunther Prien, Germany's No. 1 U-boat ace, the man who sank the Royal Oak in Scapa Flow and the liner Arandora Star, is missing.

Reports from Berlin recently stated that the German Admiralty is expressing "anxiety" about the fate of Prien. Nothing has been heard of him since April 13.

Germany makes great publicity play with the names of her U-boat aces for two reasons:

1. The majority of sinkings are achieved by a small "circuit" of first class U-boat commanders; 2. Goebbels needs heroes to thrill Nazi youths and induce them to volunteer for the submarine service.

Three U-boat commanders have been named in this war as holders of the Oak Leaves and the Knight's Insignia to their Iron Crosses: Prien, Otto Kretschmer is a prisoner in our hands. Scheple is dead.

Girl's Smile Hides Grief

CAROLE KENYON, 18, sings and dances at a West End night club entertaining lonely people of wartime London.

Few of her audience know that the beautiful smiling girl is lonelier than any of them.

Her mother was killed by a bomb in a recent raid.

Her father is dead.

Her brother is a prisoner of war in Germany.

Carole went home from the Cabaret Club, Beak-street, London, W. early one morning to find her mother dead and her home wrecked.

But the same night she was at the club again.

Heartbroken, she told the manager: "I must try to carry on."

Carole's brother in Germany has been told that his mother has died of heart failure.

"I am all alone now," Carole said. "But I feel the show must go on."

"My brother is all I have, and he is in a prison camp. His wife has had a baby which he has not yet seen. I am waiting for the day when he comes home."

A friend said: "Carole is bringing happiness to people despite her great sorrow."

"She is a wonderful example to us all."

Mr Hilton, 71 Gets Decree

MR ALLEN HILTON, at the age of 71, is free to marry again. Recently in the Divorce Court Mr Justice Hodson granted him a decree nisi.

And, because Mr Hilton wishes to marry again, the judge said he thought it a proper case for expedition of the decree absolute.

Usually a person granted a decree nisi has to wait six months for the decree absolute.

Mr Hilton, who lives in Back Wallington-street, Lindley, Huddersfield, married in 1891 and had three children.

His case was that his wife neglected the home, visited public houses with men, and deserted him 39 years ago.



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"To the fact, Hawkins, that I have been promoted. I have my stripe. The man who stands before you is a real live Acting Lance-Corporal (unpaid)."

"I congratulate you warmly, Mr. Gerald. Doubtless you purpose to celebrate the occasion in the appropriate manner."

"I do, Hawkins, and in a big way. Turn out the cellar while I go to the phone and beat up a few of the lads. Let there be enough festivity to float a battleship."

"Very good, Mr. Gerald."

"And Hawkins, see that there's plenty of Rose's Lime Juice. Can't risk hangovers in wartime, you know. Rose's for Gimlets, and to wind up the evening. Attention to detail, Hawkins—that's what makes the good soldier."

"So I discovered, Mr. Gerald, when they made me Quartermaster-Sergeant in the latter half of 1917."

There's nothing exalt about Rose's Lime Juice. Ask for Rose's and enjoy the pure juice of the lime.

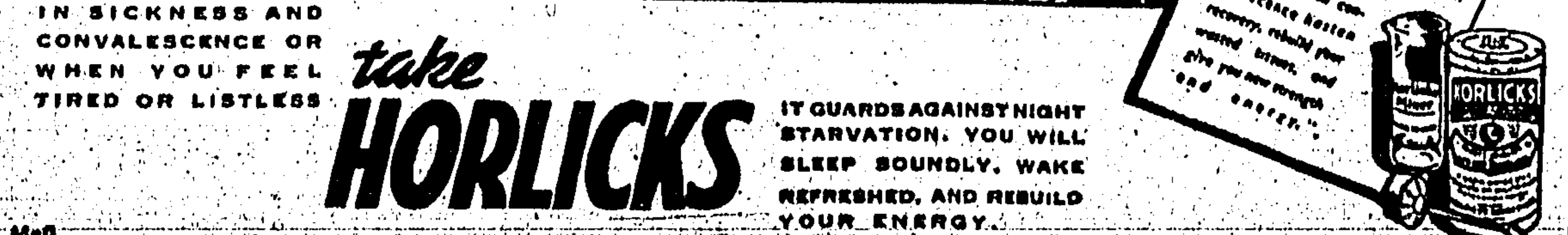
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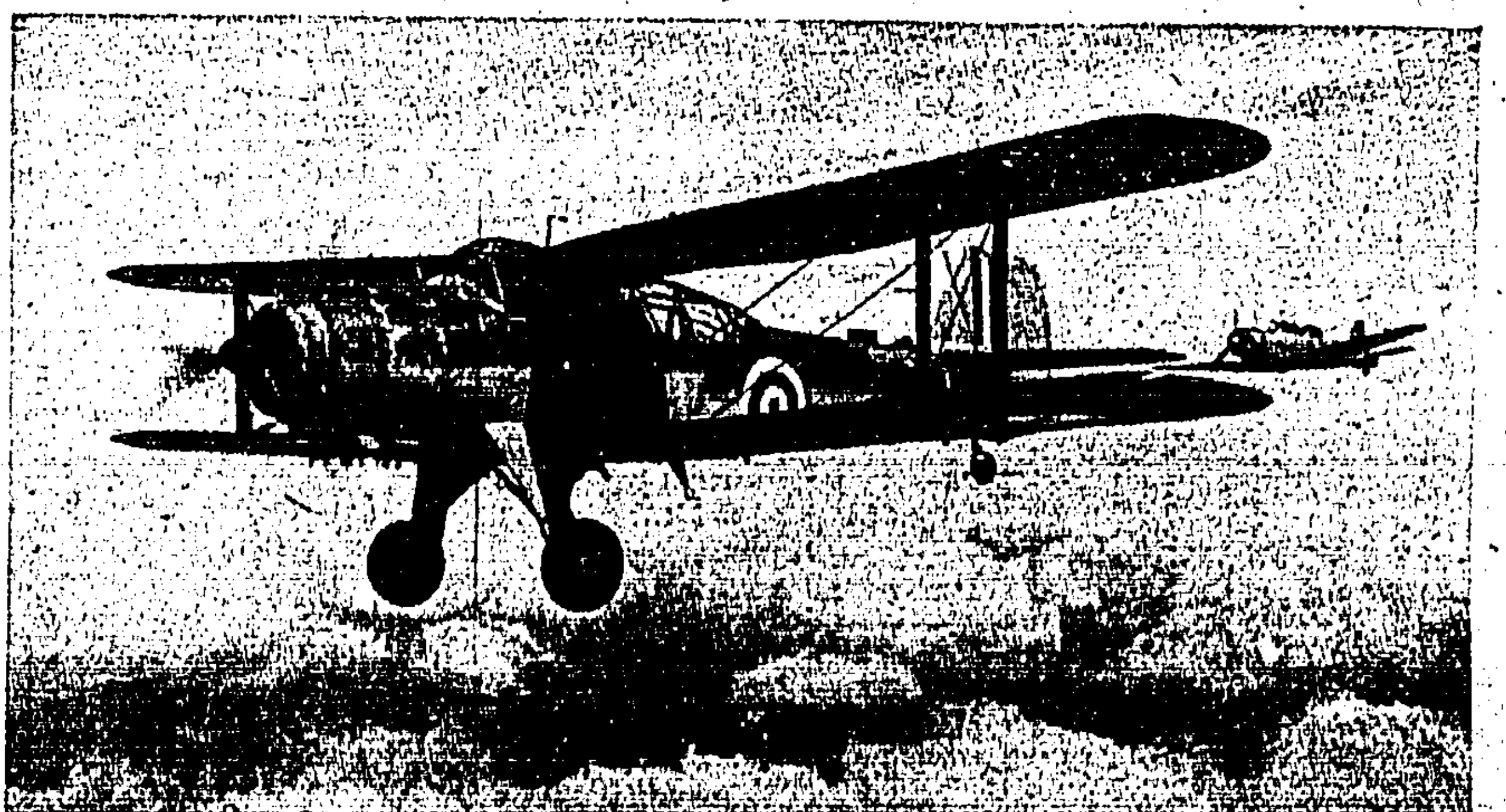
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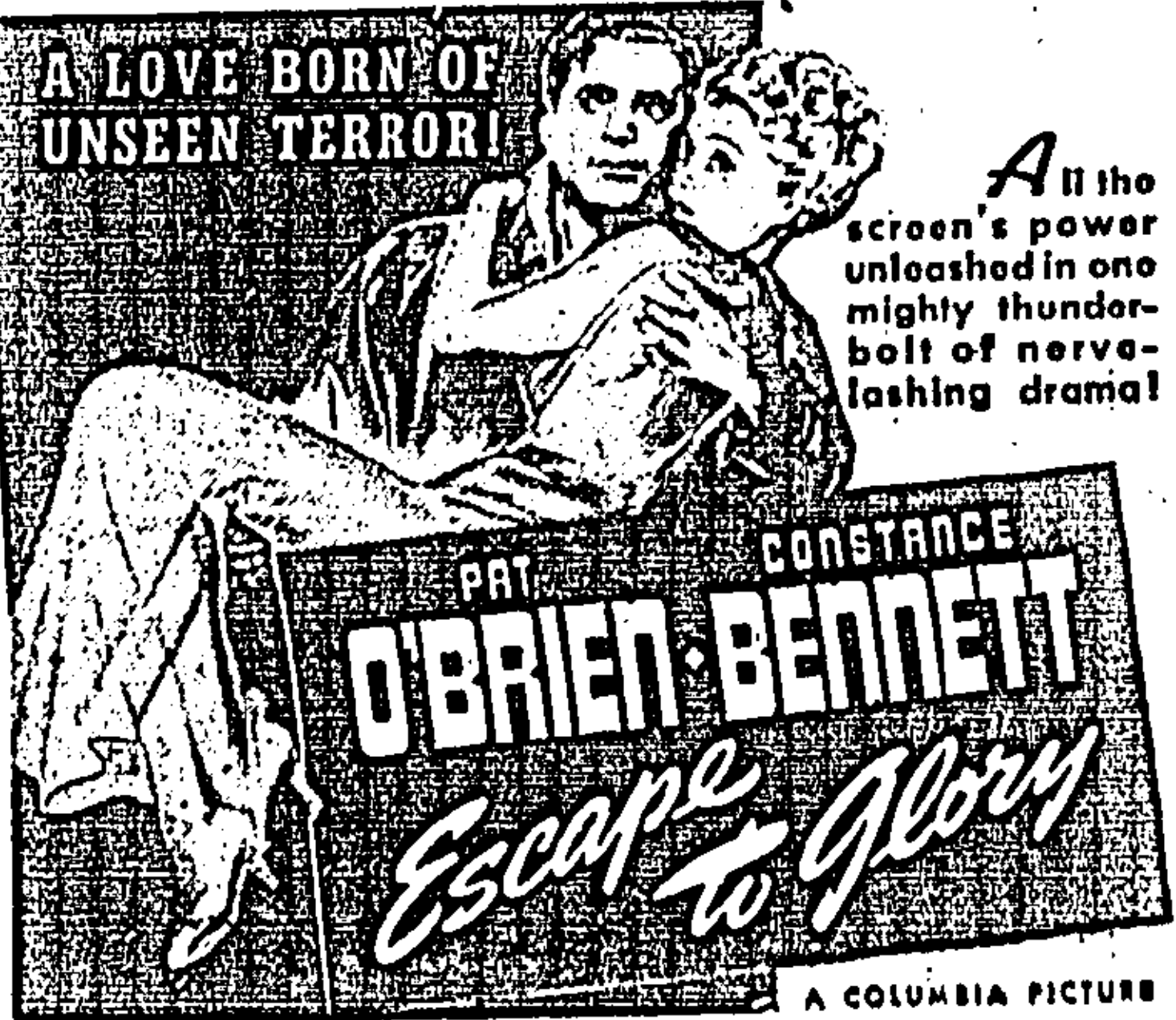
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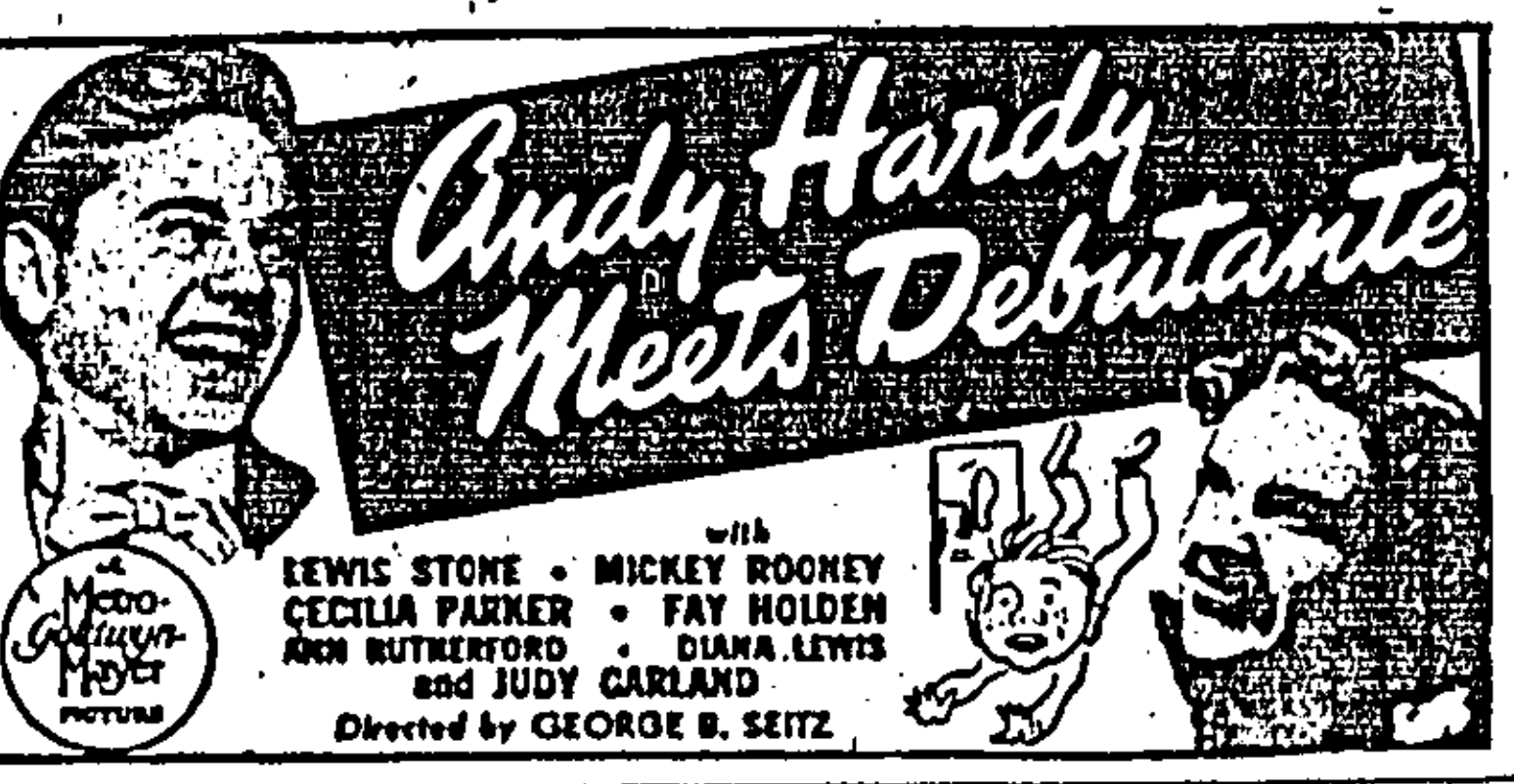
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TO - MORROW Lana Turner, Joan Blondell in M-G-M Picture "TWO GIRLS ON BROADWAY"

LEE THEATRE

SHOWING TO-DAY BOOKING AT WHITEWAYS They LOOKED alike—but didn't make LOVE like!



THE CHANTECLER TRY OUR POPULAR \$1.00 TIFINS Served in the Snack Bar



Mr. Harrison Forman, famous journalist and photographer, arrived in Hongkong yesterday. He is on a special assignment for the National Broadcasting Company of New York. Mr. Forman scooped the world with his pictures of the Nazi attack on Warsaw.

Nations Lining Up Against Japan

FROM PAGE ONE

ed that the United States would welcome parallel action by other American countries in the economic control measures against Japan. Stressing that the Latin American countries were free to act in any way they deemed advisable he cited steps already taken to ensure access by the United States to Latin American tin, rubber and other strategic materials and to prevent the export of such goods from the United States.

Asked specifically about the possibility that Venezuela might refuse to sell oil to Japan, Mr. Welles replied that it was solely a question for Venezuela to decide.

Views Exchanged
"United Press" adds that Mr. Welles asserted that the United States and all other interested governments had frequently exchanged views and have been in constant communication in order to permit parallel action against Japan in the South Pacific whenever such action was deemed desirable.

He declined to comment upon the possibility of Japan getting vital supplies of oil from Venezuela and other oil-producing Latin American countries, but said that as sovereign nations, these would probably proceed under their own national policy. He denied that any agreement had been reached for the United States to purchase the entire surplus oil output of Mexico.

Mr. Welles talked over the Far Eastern situation with Lord Halifax, the British Ambassador who had just returned from a tour of the west coast. Lord Halifax told newsmen that he had no fresh information regarding the developments in the Far East. Meanwhile the newly arrived Soviet Military Mission began consultations with the State Department on the problem of co-ordinating American aid to Soviet Russia.

Effects Already Seen

NEW YORK, July 28 (Reuter).—Drew Pearson and Robert Allen, in their joint column in the "New York Mirror" on July 26 stated: "The double-barrelled dose of economic warfare—the freezing of Axis assets and the black list—have played real havoc with Axis operations in South America."

"Confidential Government cables report that as the result of these measures, 25,000 Axis nationals have been uprooted wholesale from their thriving enterprises and have become refugees, getting a dose of the bitter medicine Germany meted out to millions of European victims."

PRESSURE RELAXES

FROM PAGE ONE

Smolensk have ended in disaster and that the battle will soon be over there. The official German news agency presented detailed reports of the mopping up of Soviet forces around Smolensk and claimed the capture of 35,000 prisoners, and of 750 machine guns around Mogilev to the South. It said the Russians made "senseless" attempts to break out of the Nazi encircling line and suffered heavy losses.

Another D. N. B. report claimed that a Nazi division from Bessarabia had broken through a section of the Stalin line on the southern front in capturing 21 Soviet tanks in the course of the operation. The reports did not indicate the exact location of the breakthrough, and it is recalled in this connection that about three weeks ago the German High Command claimed that the Stalin line had been broken "at all decisive points."

A Moscow dispatch from the front reported a 13-day battle in an unidentified sector of the Finnish front as having ended with the annihilation of one half a German infantry division and the routing of the other half.

NEW ZEALAND MILITARY POST

Wellington, July 28 (Reuter).—The resignation of Sir Andrew Russell from the Inspector-Generalship of New Zealand Military Forces is announced to-day by the acting Premier Mr. W. Nash. Mr. Nash said that Sir Andrew had reached his decision consequent on the appointment of Sir Guy Williams as military adviser, and also for health reasons. Mr. Nash paid tribute to the work of Sir Andrew who, the Government had re-appointed to the War Council.

TENSE PEIPING ATMOSPHERE

FROM PAGE ONE

from the main headlines in all local newspapers to-day.

Citizens in Shanghai were dazed all day long as wild rumours succeeded one another in rapid succession and the value of the Chinese dollar fluctuated violently.

There is, however, not the slightest questioning among Britons and Allied nationals over the parallel action by the United States and the British Empire against Japan despite fears that it may end Shanghai's non-Japanese trade for the duration.

The feeling among Shanghai's Britons and Allied nationals is fairly accurately summed up in an article by a well-known British journalist and commentator who writes: "Retaliation having at last been instituted, it will be hoped by all Britons and Americans that it will be pursued to the utmost limit. Notwithstanding the probability that it may result in temporary suffering and inconvenience in centres where the Japanese Army holds sway."

"It is now the eleventh hour and nothing is to be gained by hesitating with this retaliation in order to avoid offending Japanese susceptibilities. The sooner its full effects make itself felt upon Japan, the more likelihood there is of an earlier appreciation by the Japanese of the disastrous consequences of their army's policy."

Noteworthy Comment

The most noteworthy comment by newspapers supporting the puppet Nanking regime appeared to-day in the "Kuo Min Hsin Wen," which says that Japan can only adopt economic reprisals against the British and American action in freezing Japanese assets and that war is still far off.

The newspaper suggests that Japan may retaliate by confiscating American and British assets in Occupied China which are estimated at about \$500,000,000.

Among many unconfirmable rumours circulating in Shanghai to-day was one stating that the Japanese-controlled Customs here had imposed restrictions on certain categories of exports from Shanghai. These were listed as metals, machinery, cotton, piecegoods, cotton yarns, chemicals and precious stones.

If this rumour is true, it means that the only future possible buyers of such articles will be the Japanese and the only payment which will be received will be in the Japanese military yen.

According to local banking and commercial circles, a Japanese ban on non-Japanese goods from Shanghai, if not yet introduced, is almost inevitable.

NAZIS BROUGHT TO A STANDSTILL

FROM PAGE ONE

Russian fire was first opened from a neighbouring farm building so that the Germans thought that the fort was abandoned. When they approached more closely, a murderous blast of machine-gun fire opened from the fort itself. Only after the German artillery, shooting at a hundred yards range, had opened a breach in the fort's walls were the Germans able to enter.

Underground Passages

"Even then the dangers were not ended as Russian forts are often constructed of three floors with numerous underground passages. "One Russian posted outside said that they had nothing to fear as the few surviving Russians were anxious to surrender. The Germans, entering unsuspectingly, were met with a fierce fire inside and only captured the fort after killing every Russian defender."

Roosevelt Returning To Washington

HYDE PARK, July 28 (UP).—President Roosevelt has decided to return immediately to Washington. He will arrive on Tuesday morning for closer supervision of United States moves to counter Japanese expansion in the Pacific. The President plans an immediate conference with Mr. Sumner Welles, Under-Secretary of State.

VERBOTEN TO PRISONERS

Ink, toothpaste, lighters, cigarette papers, money and civil clothing are included in a long list of articles forbidden by Germany to war prisoners. The list has been sent to the War Prisoners' Aid Department of the World's Alliance of Y.M.C.A.s.

Angry Evacuees Meet In Sydney

FROM PAGE ONE

and 400 children in Hongkong," said Mrs. Dewar. "Nineteen returned in the last three boats. We are justified in asking to return, if only from the moral aspect, otherwise our homes may be irretrievably broken."

More Letters
More letters from Hongkong evacuees have also been appearing in the Sydney "Sun," two of them being here reprinted.

"Lancashire Lass" is perhaps not aware of the fact that quite a few of the evacuees are still in love with their husbands. A woman who has not yet learnt in this world that you cannot run away from danger and thinks she is safe in Australia needs our sympathy.

I am from the Old Country. The Old Country wouldn't be "taking it," with its back against the wall, if "Lancashire Lass" were an example of its people, sitting snugly back with her £31 and one child. She should never have gone to Hongkong. One goes to the East to stand by one's husband, whatever happens.

Incidentally, we don't all get £31 a month. I get £20, with two children under three. Quite a number get less. Ask the Hongkong finance liaison officer for a few statistics; then try finding accommodation for two children under school age. Let's go back to our homes, even if it is a short-lived happiness; our children will at least know they have a father.

MAID OF KENT.

Not Against Australia

I am not a growler, but like hundreds of others, I am most anxious to return to my husband and home in Hongkong, and I dispute "Lancashire Lass's" statement that "a large number, if not the majority" of women would prefer to remain here. Had we been given choice of evacuation many of us would have chosen to stay, and let those who wanted to and who have the means to support two homes, easily go. "Lancashire Lass" is lucky to have £A31 per month, and should be very comfortable on that amount. I and hundreds of others only have £A20 per month, and I, too, have one child to keep and look after, and besides that my husband has another son to support at school in England. We find it very difficult, and there are many others in the same boat. We do find things expensive in Sydney, much more expensive than we expected, and I think everything is dearer than even in wartime England. I was in England for the first five months of the war, and know how well prices were controlled there.

Our course is not against Australia or the people. We are fed up with the way the evacuation was run and the very unfair discrimination. I am sure Australian women will sympathise with us. How would they like five days' notice to pack up and be deported out of their own country, leaving behind husbands, homes, and hundreds and hundreds of women of other nationalities, who can still stay in Hongkong and come and go as they wish.

HONGKONG-BORN.

The Other Side
On the other hand, another evacuee writes to her husband in Hongkong in the following strain:

"There have been quite a number of letters in one of the evening papers, from evacuees, airing their views and grievances on the evacuation. The same old story. It is a pity the particular paper bothers to publish them, but I suppose it gives the majority of the evacuees stationed in Sydney some consolation, to re-read all over again what has been hammering in their brains since they left. What good does it do anyway? Here we are, and here we have to remain until some such time arrives for us to leave. It is not very complimentary to Australia to be forever grumbling, and one of the reasons is, I imagine, they hate having to work. I imagine they all congregate at Bondi and have never got out of the rut. They have made no friends amongst the Australians and don't intend even to try."

AXIS PLOT BECOMES A FLOP

FROM PAGE ONE

the puppet Nanking Government, German newspapers on July 2 and Italian newspapers of the same day charged that the Administration's condemnation of his anti-war postcard mailing campaign was part of a programme to "terrify the American people" into submitting to participation in a foreign war.

He accused Secretary of War Stimson, of acting with "cold, calculated cunning" to create the impression that the postcards were circulated in army camps, adding that only three out of the million cards mailed actually reached soldiers.

Spain's Position
Spain was saved from starvation only by the British relaxation of the blockade in her favour and by direct financial and economic aid. That help is now suspended pending Spain's decision.

After five weeks, therefore, of the new German offensive, combining a military attack on Russia with a subtle thrust in political warfare designed to range Japan, Spain and Turkey against Britain, the result is failure to crush Russia quickly, failure to use the political lever quickly with German invincibility, and success in galvanising half the world against Germany.

The campaign is not over but the first German plan at any rate seems to have miscarried.

SINGAPORE, July 28 (Central News).—After long preparations, the Andrews Military Hospital in Singapore is now open for the exclusive use of the services.

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Wheeler Hits Back At Indian Association Of Malaya Defended

SPECIAL TO THE "TELEGRAPH" WASHINGTON, July 28 (UP).—Senator Burton K. Wheeler, speaking from the floor of the Senate to-day charged that the Administration's condemnation of his anti-war postcard mailing campaign was part of a programme to "terrify the American people" into submitting to participation in a foreign war.

He added that Mr. Hall's statement was the result of representation by interested persons, who did not like the existence of the association, and he affirmed that they had never been a party to subversive or any agitation at all.

Printed and Published for the Proprietors by FREDERICK PERCY FRANKLIN at 1 and 3, Wyndham Street in the City of Victoria, Hongkong.



FAR EAST MOTORS
Phone 59101 26 Nathan Road
Kowloon.

PRINTED & PUBLISHED BY
The Hongkong Telegraph
Dollar T.T.—12' Hongkong Telegraph
111, New York Street, Morning Post, Ltd.,
111, New York Street, Morning Post, Ltd.,
111, New York Street, Morning Post, Ltd.,
Low Water:—21.00.

The Hongkong Telegraph

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WHITEAWAY'S

NAZIS BROUGHT TO A STANDSTILL IN CENTRE OF EASTERN FRONT

ZURICH, July 28 (REUTER).—UNDOUBTEDLY THE WAR HAS BECOME STATIONARY IN THE CENTRAL SECTOR OF THE EASTERN FRONT, WHERE FIGHTING HAS BEEN HARDEST, DECLARES THE BERLIN CORRESPONDENT OF THE "BASLER NACHRICHTEN." REPORTS FROM THE FRONT, ADDS THE CORRESPONDENT, HAVE FREQUENTLY MENTIONED THAT GERMAN INFANTRY HAVE BEEN OBLIGED TO ENTRENCH THEMSELVES IN ORDER TO FACILITATE DEFENCE AGAINST RUSSIAN COUNTER-ATTACKS.

Stubborn Fighting By Reds

Latest Communiqué

MOSCOW, July 28 (Reuter).—The following is the latest Soviet communiqué:

"Our troops continue fighting in the directions of Smolensk and Zhitomir.

"The enemy offensive is breaking against the strong stubborn fighting, our troops in certain places energetically counter-attacking and inflicting heavy losses.

"There are no important battles elsewhere.

"In other directions and sectors on the front, there is nothing of importance to report. Our air force, co-operating with land troops, is operating against large enemy formations of air force and against their aerodromes.

"In all, 109 German planes were shot down on July 26. Our losses were 36.

"The Baltic coastal defence sank a torpedo boat, and two patrol boats. We lost one torpedo boat."

STILL GRIMLY DETERMINED

German Attitude Towards War

SPECIAL TO THE "TELEGRAPH"

NEW YORK, July 28 (UP).—George Kidd, "United Press" correspondent who has been in Europe during the past five years, said on his arrival in New York to-day that the German people still appear grimly determined to carry on the war.

He said the German people were confident of defeating Russia, despite the apparent delay in the original time schedule due to Russian resistance.

"Some unofficial German quarters at the beginning of the campaign said that they expected Russia to be defeated within six weeks," he stated.

Mrs Kidd, who kept house in Berlin, said that the food situation has become slightly more restricted after two years of war.

German propaganda has been forced to turn a back somersault over the German Army communiqué of July 7 reporting that the Russians had thrown into battle their last reserves and it is now alleged that the Russians have received further reinforcements from the Urals which district "was, of course, not taken into account by previous communiqués."

The "Deutsche Allgemeine Zeitung" explains the hold-up of the German offensive by saying that "a big battle is proceeding against a very strong Russian army in order to enable the German Army to continue the war movement."

PRESSURE RELAXES

Lull Descends On Soviet War Fronts

SPECIAL TO THE "TELEGRAPH"

MOSCOW, July 28 (UP).—To-day's communiqué indicated that pressure has been relaxed in the Nevel, Smolensk and Zhitomir areas where the fighting is continuing but apparently without the usual ferocity.

For the past two days the Soviet communiqué has dropped their adjectives—"intense," "fierce," and "stubborn," and merely reported "fighting."

A lull has descended on other fronts where there was nothing of consequence to report.

The Red air fleet resumed bombing Constantinople and continued to hammer enemy columns and air-ports.

The Muscovites enjoyed a quiet night when the Luftwaffe failed to appear after five successive night raids.

Communiques Analysed

NEW YORK, July 28 (UP).—The German High Command has reported that a great victory looms in the Smolensk sector, but Moscow reports indicate that the fighting around Smolensk and elsewhere has taken a favourable turn for the Soviet Union.

The German and Soviet communiqués present the customary contrast as the battle along the

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Para Troops In Moscow?

SPECIAL TO THE "TELEGRAPH"

NEW YORK, July 28 (Dome).—According to a Berlin Radio broadcast intercepted here, German parachute troops were understood to have suddenly landed and occupied the Moscow airport.

The report, however, cannot be confirmed here.

A fortnight ago to-day, the Berlin correspondent of the "Basler Nachrichten" reported that Berlin was expecting the fall of Kiev within a few hours.

Difficulties of Nazis

ZURICH, July 28 (Reuter).—German propaganda excusing the slow advance on the eastern front continues to emphasise the difficulties the troops are encountering.

Describing conditions on the Finnish-Russian frontier, the Berlin correspondent of the Bern newspaper "Bund" says: "An endless column of heavy laden soldiers marching and cursing through a night-mare of endless forests. There are no roads, no communications, no lorries and no motorcycles. Only the absolute essentials of equipment are carried, overcoats and blankets being left behind although the nights

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China's Assets To be Frozen

At Her Own Request

LONDON, July 28 (Reuter).—It was officially confirmed in London to-night that the Chinese Government has requested the British Government to freeze Chinese assets in Britain and the British Empire.

Measures will be put into effect shortly.

The reason for the Chinese Government's desire is that the Japanese are in control of certain parts of China and consequently the assets of those territories. If the Chinese assets were to remain unfrozen, it would give the Japanese a loophole to continue trade with Britain.

A similar request was made by the Chinese Government to the Government of the United States who have already taken the necessary steps.

Residents of China

London, July 28 (Reuter).—It was officially announced that at the request of the Chinese Government and in order to assist China's financial position, the Treasury has issued directives blocking sterling balances and other assets of persons resident in China.

The directions come into operation as from the opening of business on July 28. General authority is given for any payment in a sterling area authorised on behalf of the Chinese Government as well as payments necessary for the fulfilment of certain outstanding transactions.

Finns Break With Britain

LONDON, July 28 (Reuter).—Finland has requested the severance of diplomatic relations with Great Britain, it is authoritatively stated in London.

The Finnish Foreign Minister has handed an "aide-memoire" to the British Minister in Helsinki informing him that as Finland is co-belligerent with Germany, the normal diplomatic relations between Great Britain and Finland can hardly be maintained.

In reply to Mr Verelker's question whether this statement meant that Finland was requesting the severance of diplomatic relations, the Finnish Foreign Minister replied that this was so.

Peru-Ecuador Still Fighting

VICHY, July 28 (Reuter).—Fighting continues on the Peruvian-Ecuadorian frontier, according to an official communiqué issued at Lima to-day.

It was reported from Quito on Sunday that fighting ceased on Saturday evening following an agreement between the two parties, sponsored by the Argentine, United States and Brazil.

The communiqué, quoted in a Lima dispatch to the Vichy news agency, states that the Peruvians on Sunday "recaptured the island of Matupalo near Boca de Capones. Meanwhile negotiations for ending the hostilities are continuing."

Tense Peiping Atmosphere: Reactions In Shanghai

SPECIAL TO THE "TELEGRAPH"

PEIPING, July 28 (UP).—The atmosphere in the foreign community is tense and rumours are abundant, including one that foreign banks will be taken under control to-morrow. The Yokohama Specie Bank has suspended payments of British and the National City Bank is buying U.S. dollars. The American

Nations Lining Up Against Japan

Special to the "Telegraph"

WASHINGTON, July 28 (UP).—Political circles are highly pleased over Batavia's invocation of economic reprisals against Japan. The action is particularly welcomed because it creates a solid front of resistance among the nations having vital interests in the critical south Asiatic zone where Japan has expanded.

The impression is strong here that all democratic nations with interests in this region have jointly "drawn a line" against further Japanese expansion southward and, in effect, have notified Japan to expect resistance of a sterner type if she undertakes any new adventures.

Many experts were of the opinion that Japan must now expect to encounter concerted force if she

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Subterranean Fortification Of Gibraltar

(BY "REUTERS" SPECIAL CORRESPONDENT)

GIBRALTAR, July 28.—Improvements of the fortifications here have been considerably hastened during recent weeks and the training of personnel is proceeding with great energy as new war materials arrived, including a number of new devices.

Troops participating in the exercises are about town daily while Bren gun-carriers clatter through the streets day and night.

The Fort's air arm roars over the rock at all hours, keeping itself in full fighting trim.

Network of Tunnels

The task of completing the amazing network of tunnels continues night and day unceasingly, the troops thus engaged coming from all parts of Britain and Canada. They operate in eight-hour shifts, 24 hours daily, including Sunday.

Though uncompleted, the Rock now contains three-storeyed barracks capable of housing thousands of men. There is a fully-equipped hospital, an electric power generating system and cook-houses. Vast quantities of oil, water, food, tobacco and even bottled sweets have been stored in subterranean tanks.

Working in dusty tunnels has not injured the men's health which is carefully guarded. In some cases, the men have actually put on weight.

RICE MONOPOLY STATEMENT

It is learned that a statement concerning the operation of the Rice Monopoly will be issued by Government, in answer to questions to be asked by the Hon. Mr. J. S. Paterson at a meeting of the Legislative Council to be held on Thursday, August 7.

EIGHT AIRFIELDS FOR JAPAN IN SOUTH INDO-CHINA

HANOI, July 28 (Reuter).—Japanese troops began disembarking in southern Indo-China to-day, it is officially announced. The Japanese are allowed to use eight aerodromes under the agreement, including Saigon and Siemreap near Ankor on the new Thai border.

The strength of the troops is not disclosed. The disembarkation was begun at Nhatrang, just north of Camranh Bay.

The aerodromes to be utilised, in addition to Saigon and Siemreap, are Nhatrang, Tourane in the middle of the Annam coastline, Biendhoa near Saigon, Soctrang at the mouth of the Mekong, Kompongthom near the Great Lake in Cambodia and Phnompenh, the capital of Cambodia.

Vanguard On Transports

SAIGON, July 28 (Reuter).—The Japanese Military Mission in Saigon stated that as a result of an urgent radio request, 100 military lorries had arrived from Hanoi.

The vanguard of the main bodies of Japanese troops, believed to be on four transports and four destroyers, will arrive in Saigon on Wednesday.

British and American businessmen, anticipating a peaceful occupation, are remaining in Indo-China.

Franco-Japanese Treaty

LONDON, July 28 (Reuter).—A detailed agreement confirming the carrying out of an agreement between Japan and France for the joint de-

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"Freezing" Will Check Espionage

Washington Belief

SPECIAL TO THE "TELEGRAPH"

WASHINGTON, July 28 (UP).—A source connected with the Dies Committee told the "United Press" that it was believed that the freezing of Japanese assets would place another check on the subversive activities of Axis agents in the United States, Hawaii, the Philippines and Latin America.

It was pointed out that the order freezing Japanese assets specifically mentioned among other things that the move was designed to "curb subversive activities in the United States."

Although the Japanese did not engage in such activities as extensively or overtly as the Germans and Italians, there was, nevertheless, evidence that their conduct was considered inimical to United States interests.

Fear For Future

One Committee source said that the fear was not so much of present activities as of possible future actions in the event that relations between Washington and Tokyo reach a more critical stage.

Congressman Jerry Voorhis, a member of the Committee, told the "United Press" that Japanese policy towards Japan all over the world as well as citizens of Japan as well as of the country in which they resided. This causes considerable concern and there has also been apprehension regarding the activities of Japanese fishermen on the West Coast and in other quarters.

The Congressman was of the opinion that the freezing of Japanese credits would prevent the Japanese from acting on behalf of their Axis partners.

Angry Evacuees Meet In Sydney Flat

A Manly flat recently was the scene of an unofficial but fiery protest meeting of six angry women evacuees from Hongkong and a discontented husband on leave in Australia according to the Sydney "Sun".

"We've had a dirty deal with this evacuation," they told a "Sun" reporter. "We're fed up."

The husband, Mr F. C. Brown, who is a Hongkong police department official, said: "It's been no pleasure coming down here for a holiday. I've been very surprised to find out the conditions under which Hongkong women evacuees are living and how unhappy they are."

"We're prisoners here," said Mrs E. Green, whose husband is a sub-inspector of the Hongkong police.

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Tokyo Seeking a New Monetary Agreement

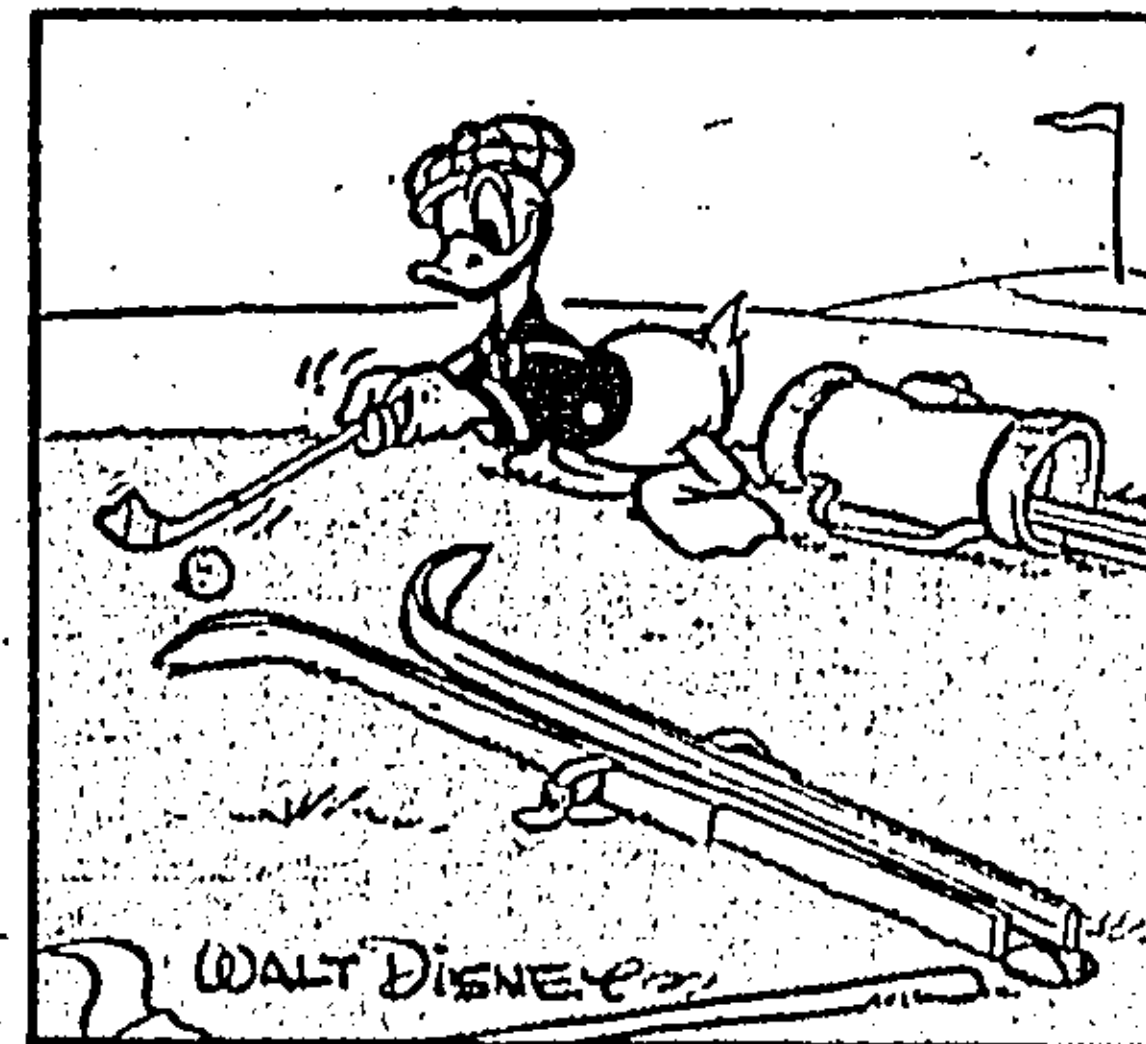
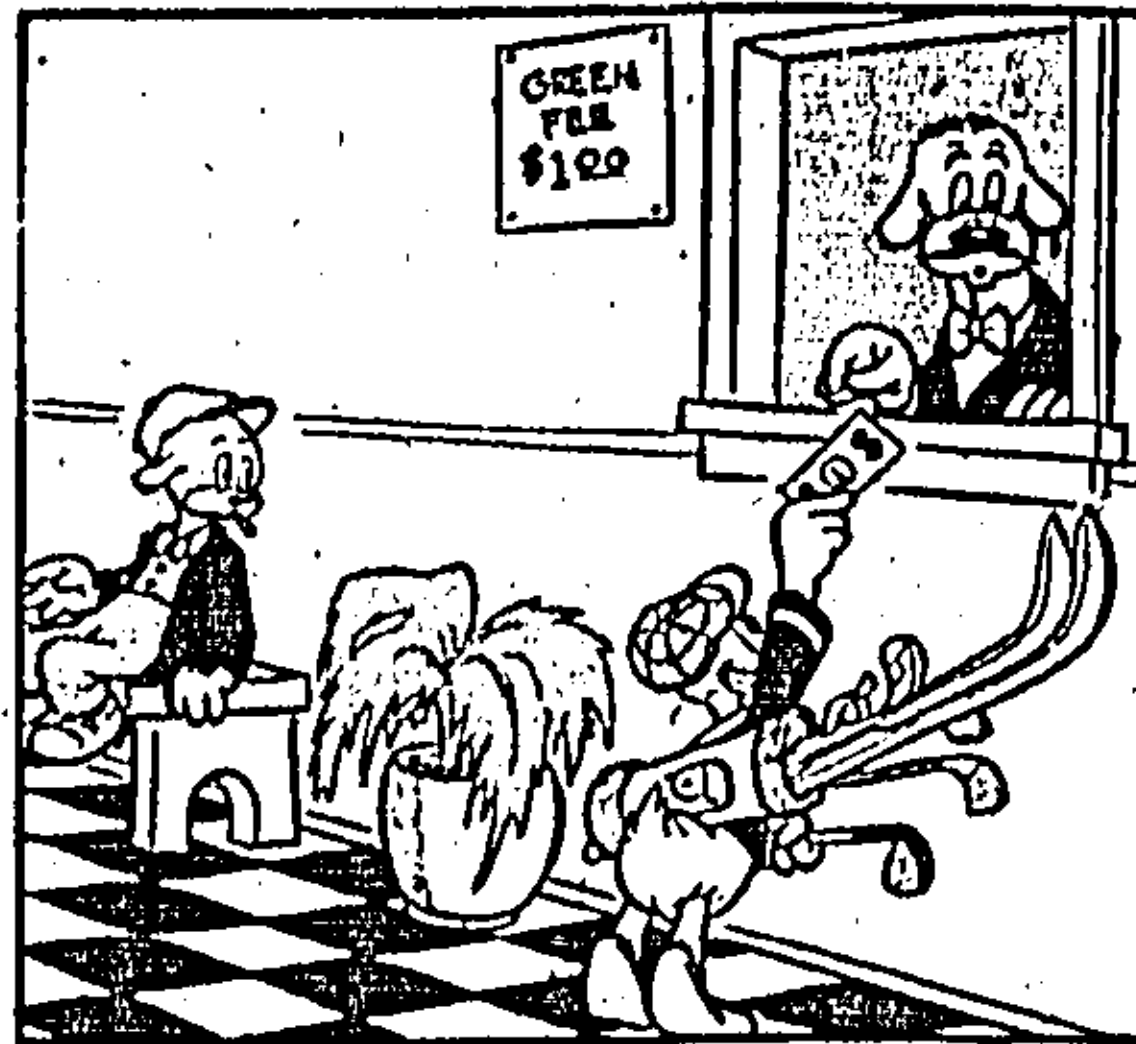
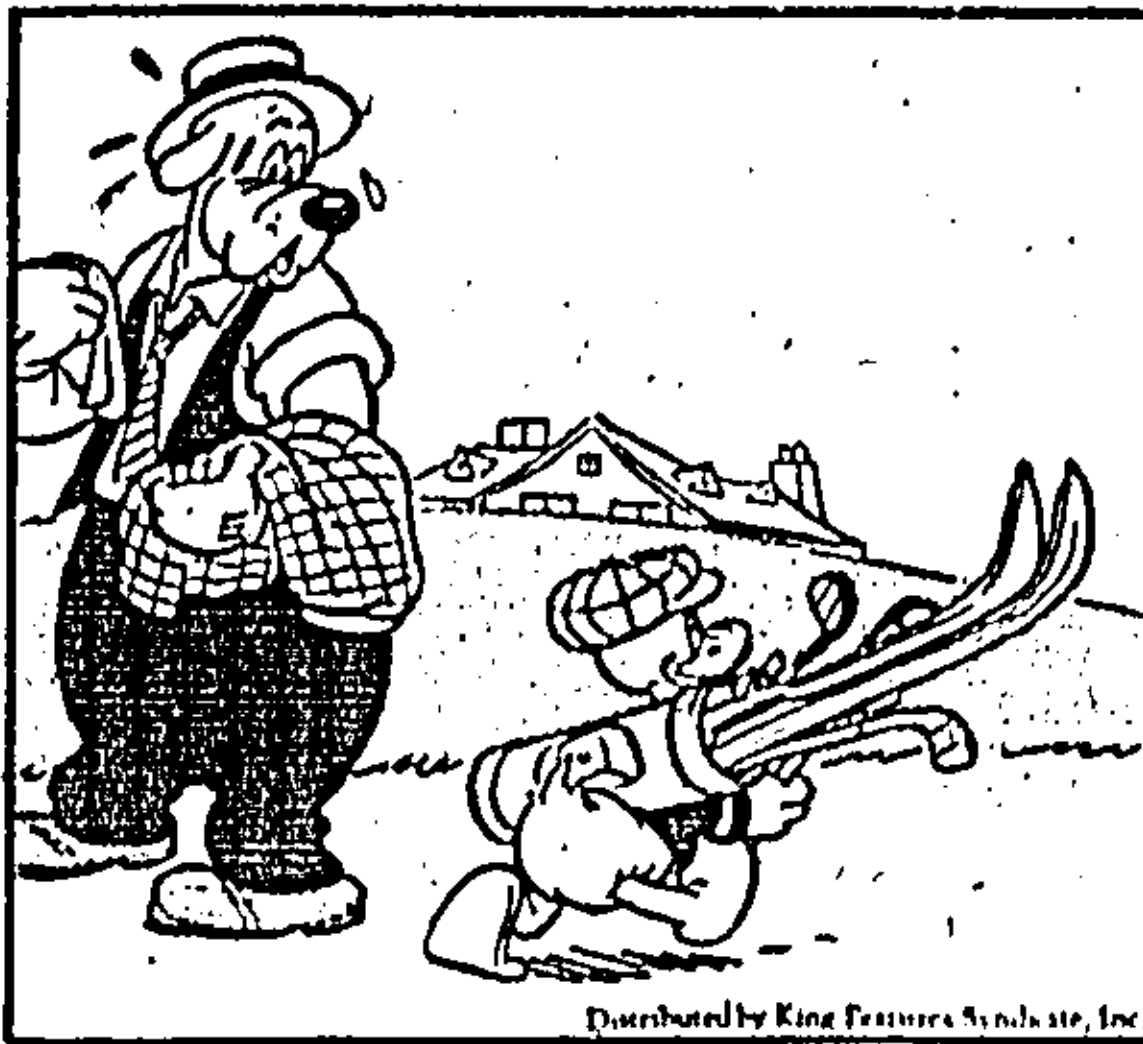
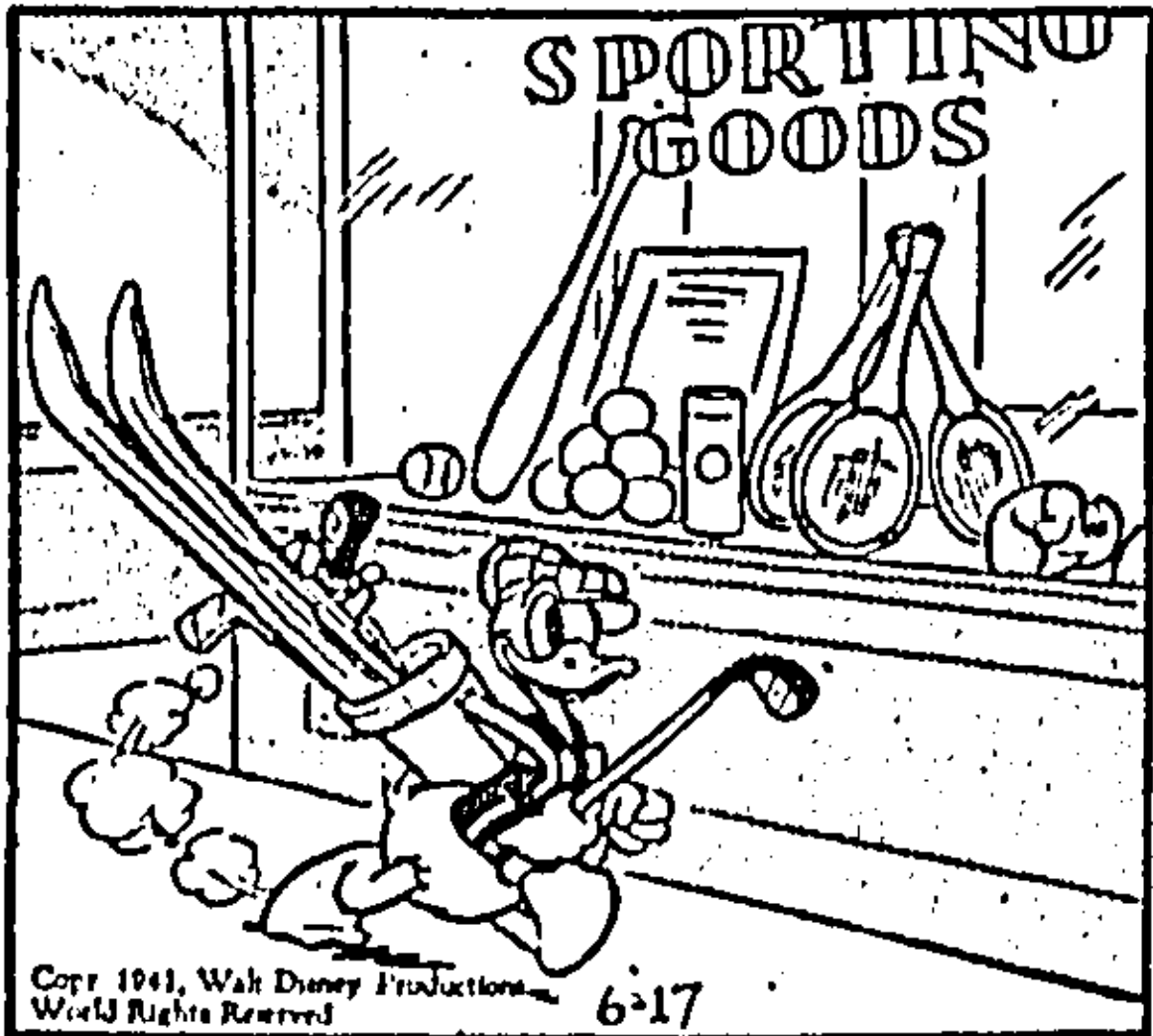
Special to the "Telegraph"

TOKYO, July 28 (UP).—It is announced that the Yokohama Specie Bank has instructed its Batavia representative to negotiate with the authorities of the Dutch East Indies for a new monetary agreement replacing the suspended one which had been in force since January.

It is said that in the event that these negotiations, which are reported to be already under way, fail to result in an agreement within two weeks, the existing agreement will be abrogated.

Meanwhile the press plays up Foreign Office reports from Batavia stating that the Java Bank has sus-

DONALD DUCK



By Walt Disney

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CONTRACT BRIDGE

How to Play
AND
How to Win

By JOSEPHINE CULBERTSON

"LOCKING the stable after the horse is gone" is not any more logical at the bridge table than in other fields of activity. Unfortunately, West in the following deal didn't know how to apply an old adage to a new (to him) situation.

North dealer.
Rubber bridge.
Neither side vulnerable.

♠ Q 8 4 3
♥ 3
♦ A J 10 8 2
♣ A Q 7

♠ 5
♥ 10 8 6
♦ 4 2
♣ 7 6 4 3

♠ A 6
♥ 7 5
♦ 10 8 6 5 3
♣ 2

♠ K J 10 7 2
♥ 9
♦ K Q 9 6
♣ K 4

The bidding:
North East South West
1♣ 1♥ 1♠ 1♠
2♥ 2♠ 2♠ 2♠
3♥ 3♠ 3♠ 3♠
Pass

The bidding requires little comment. East, with six clubs and five hearts, might well have overcalled originally in the longer suit, preparatory to bidding the hearts later, but in view of the great disparity in top strength, his action cannot be criticised. After West jumped all the way to four hearts (in a desperate but futile attempt to shut out the opponents) there was of course no need for East to mention his clubs. He rebid hearts to drive the opponents to the five level, but then subsided, feeling that he would have an excellent chance to defeat a five spade contract.

What East really hoped for, of course, was a diamond opening which he would be able to ruff. West, however, could not quite visualize that situation. He did conclude that there was no great future in the heart lead, since his extreme length in the suit made it unlikely

that even one defensive heart trick would be available. He compromised by leading the club jack. This lead seemed highly favourable to the declarer, who won with the king and immediately played two more rounds of clubs in order to get rid of his singleton heart. West countered this by ruffing with his worthless trump, but unfortunately for his side, his next action conceded the contract. Probably with the determined but chaotic thought that he would not let declarer get rid of another heart, West banged down the heart jack. Declarer ruffed, knocked out the space ace, and took the balance of the tricks with the greatest of ease.

West's lead of the heart after declarer had discarded a heart was an illustration of pure absurdity. With the singleton heart staring him in the face in dummy, it was reasonable to suppose that declarer would not have risked three club plays in order to get rid of one heart if he had held more than one! Thus, declarer's plays showed precisely two clubs and one heart. What was more likely than that he held four diamonds, which meant that East would be void in diamonds? It goes without saying that West should have shifted to a diamond in the certain knowledge that the shift could not cost a trick but that it might gain the vital trick.

To-morrow's Hand
North dealer.
North-South vulnerable.

♠ A 9
♥ A K 10 8 6
♦ A K Q 8 4
♣ 9

♠ K 4
♥ 7 2
♦ J 7 2
♣ A K 8 4

♠ Q J
♥ Q J 9 6
♦ 10 6 3
♣ Q J 10 7

How should this hand be bid?

Crossword Puzzle

By LARS MORRIS

ACROSS

1—Hole in hill
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100—Hole in hill

DOWN

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100—Hole in hill

Count the
"TELEGRAPHS"
Everywhere



DULCY

Adapted by
RANDALL M. WHITE

From the stage
success by

GEORGE S. KAUFMAN

and
MARC CONNELLY

Synopsis:

Running true to form Dulcy Ward (Ann Sothern) has messed things up at the house party she arranged to sell Gordon Daly's (Ian Hunter) aeroplane motor to C. Roger Forbes (Roland Young) and also win Mr Forbes' consent to a marriage between his daughter Angela (Lynn Carver) and her brother Bill (Dan Dailey, Jr.). An accidental guest who represented himself as Schuyler Van Dyke (Reginald Gardiner)—but is really the deranged brother of Homer Patterson, a Van Dyke associate—has bought an option on the motor with a worthless cheque. Forbes, enraged at mishaps of which he has been the victim, is about to take his family home. He's a bit worried about the motor deal.

CHAPTER SIX

"ROGER, there are times when I suspect that you're out of your mind. And there are other times—like now—when I'm sure of it!" Mrs Forbes was making the most of a wonderful opportunity. "Why did you let Mr Van Dyke steal that motor from right out under your nose?" She'd heard Van Dyke make his dire prediction of ruin for the entire Forbes family—and she may have been thinking, too, of the night before when her husband had had some biting things to say to her.

In the living room the grandiloquent purchaser of Gordon Daly's brain child had just left him and Dulcy, with another of his strange remarks.

Dulcy was clasped in Gordon's arms when Homer Patterson entered the room.

"Er—please forgive me," he said. "I'm Homer Patterson. I'm looking for Miss Ward."

"That's me," said Dulcy.

"Oh, I see. Tell me, Miss Ward, do you have a guest by the name of Schuyler Van Dyke?" the newcomer asked.

"Yes," Dulcy answered.

"Thank heavens!" Patterson said with a sigh of relief. "Permit me to explain. My story may be a bit startling. The man you know as Schuyler Van Dyke is my brother, Horace Patterson. Unfortunately, he suffers from delusions of grandeur—thinks he's a millionaire—goes around forming big companies. Of course he's perfectly harmless. I'm glad I arrived before he got himself involved."

Dulcy and Gordon stared hopelessly at each other. They had tumbled out of the clouds!

Skilful wheeling on Homer Patterson's part won his brother's promise to leave the Ward lodge quietly and return at once to New York. He was reluctant to go, he said, because of the big deal he had pending.

It was just a few minutes after Mr Forbes had tried to redeem his business judgment in the eyes of his critical wife and had been told

transfer of option he had written for Van Dyke to sign.

Patterson shrugged his shoulders. "Let me see that cheque," he said, turning to his brother. It duly and legally transferred ten thousand dollars from C. Roger Forbes to Schuyler Van Dyke.

"You're perfectly satisfied with your deal, Forbes?" This motor is a good thing," he said.

"I'm perfectly satisfied—and I guess you know how good a thing this motor is," Forbes answered triumphantly.

"Well, Schuyler," said Patterson addressing his brother. "This cheque will pay for your plane. Come along."

THE aeroplane manufacturer had a little more growing to do. "My dear Miss Ward," he said when he met Dulcy and Gordon a few minutes later. "I just want you to know that all your trickery has been of no avail. I've just bought Mr Van Dyke's option on Mr Daly's motor. You ought to know better than to match wits with a man who has been in business all his life. How in the world did you expect me to swallow the story that Mr Van Dyke was insane? I happen to know Homer Patterson and I know he doesn't go round chasing lunatics."

Once more both Dulcy and Gordon stood aghast. Dulcy was the first to speak.

"But Mr Van Dyke must have been crazy," she said. "He paid Gordon ten thousand dollars and besides gave him a twenty-one percent royalty."

"Twenty-one percent! That's impossible!" exclaimed Forbes wide-eyed.

"Oh, no, it isn't! I remember—because twenty-one is my lucky number," Dulcy replied with a sincerity that made Gordon marvel.

"That's all right, Mr Forbes," he interjected. "You don't have to—"

"Oh, no, you don't! You can't squeeze me out now! Forbes turned. "If Van Dyke's crazy—then I'm crazy too. I'll pay the twenty-one percent."

Gordon continued to look like a man in a trance as Forbes left him and Dulcy on a garden seat near the dock.

He saw Henry come up from the lake leading Sneezy by the hand. "Don't tell nobody we been rovin' round in circles they'll think we're nuts," he heard Henry say. "But I guess we did all right by keepin' outta the way." This mysterious speech didn't help to clear his mind.

Finally, the light seemed to break. He looked Dulcy's hand. "I see it all now, darling," he said. "After everything else failed you told Forbes Van Dyke was crazy so that when he saw Patterson here he'd think we were trying to put something over on him—which is exactly what happened. That was a great bit of thinking, dear."

"But, Gordon, I didn't!" was Dulcy's completely befuddled answer.

"No need to side step to make way for me," Gordon laughed. "You put the whole deal over—and nobody else."

"I don't know what you're talking about—I don't know what anybody's talking about!" Little Miss Fix-it cried in impatient denial.

BROTHER BILL was with the Forbes family when they came down from the lodge to their waiting boat.

"Goodbye, Angela!" Dulcy called, and Bill, are you going too?"

"Yeah—I'm in the family again," Bill answered. "I don't know what you said or did—I don't even want to know. All I'm sure of is—it must have been unconscious."

As the guests and Bill slid out on the quiet waters of the lake, Gordon's look Dulcy in his arms.

"Listen, darling," he said tenderly. "From now on, I wish you'd let me in on your plans."

"Oh, Gordon," she answered as she clung close, to reveal in the protection of his strength. "From now on I have no more plans. I'll never interfere in anything again as long as I live."

"Fine, darling, that's perfect," said Gordon—but he wondered at the sparkle he saw growing in his bride-to-be's eyes as she looked out after the departing launch.

"Oh, Gordon, I've just thought of the most marvellous idea," she exclaimed. "You know Eleanor Forbes isn't really very happy with Mr Forbes—and I thought that next week-end—"

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THE END.



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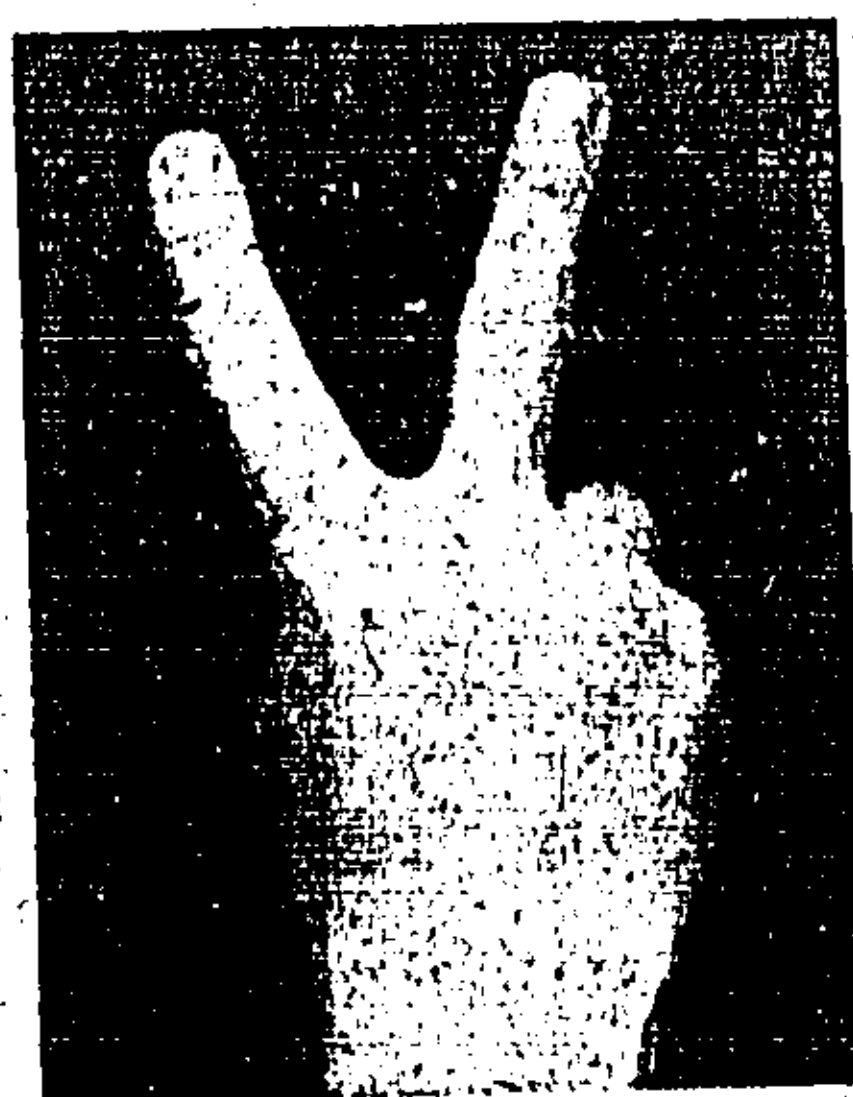
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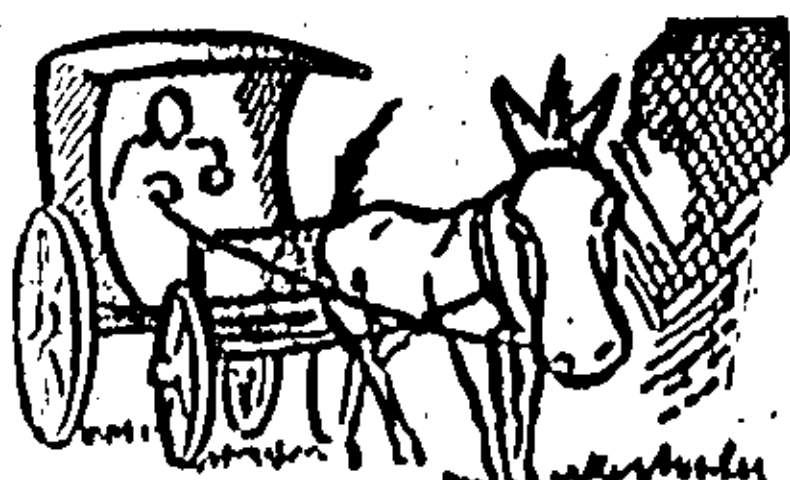
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**The
Hongkong Telegraph.**

Tuesday, July 29, 1941.

Wyndham St., Hongkong

Telephone: 26015

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WHAT "FREEZING" MEANS

IT is still too early to deter-
mine precisely the effects that
the parallel action of the United
States and the British Empire
in freezing Japanese credits will
have on Japan. But a very good
idea can be gathered by quoting
some figures.

In 1938, for example, 34.4 per
cent. of Japanese imports came
from the United States and 20.2
per cent. from the British Em-
pire—a total of 54.6 per cent.
On the other hand, only 15.8
per cent. of the Japanese export
trade went to the United States
and 19.9 per cent. to the Empire
—a total of 35.7 per cent. These
figures assume considerable im-
portance when it is appreciated
that the freezing of credits
means (special licensing
arrangements apart) that the
Japanese are unable to continue
imports from the United States
and the Empire except to the
extent they can acquire currency
balances by exporting to them.
As Japan has seen fit to adopt
"freezing" reprisals, this factor
is automatically eliminated.

The 1938 figures are by no
means a true guide to the cur-
rent situation, inasmuch as that
exports from the British Empire
have been greatly reduced by
wartime necessity. For ap-
proximately nine months there
has been no exporting to Japan
of iron and steel scrap, nickel,
platinum, cobalt, copper,
aluminium, graphite, zinc, indus-
trial diamonds, asbestos, mica,
crossbred wool, copra, cotton,
wolfram, rubber (except from
Japanese plantations in North
Borneo); from India iron-ore,
chrome, bauxite; from Canada,
zinc concentrates, lead, bauxite,
and from New Zealand, wool.
Additionally there has been a
big cutting down in the export
of pig iron, manganese and jute
from India, lead from Burma,
non-crossbred wool from Aus-
tralia and South Africa. The
biggest single Japanese exports
are the silk which goes almost
exclusively to the United States,
the profits on which are essential
for subsidising rice-growing,
while next in export importance
are cotton goods to the British
Empire.

It is true that Japan has at her
command through the annexation of
Manchuria and parts of northern
China additional supplies of raw
materials and minerals necessary for
trade or for the maintenance of her



Professor Huxley

THE problem of God has this—in doing away with all
been troubling a great idea of personality of God,
many people for a number of and also all idea of God being
years, and now the war has a power behind and in
rendered it acute.

In the most general terms,
how can an allwise and all-
powerful Divinity tolerate
war and cruelty and suffer-
ing on such a large scale?

The time is ripe for a real
revolution in theological out-
look; the idea of God will
cease to have any real signi-
ficance except to a small
minority, and the religious
impulse will be checked by
theological difficulties.

★

THE reason we have
reached this position is
clear. It is, on the one hand,
through our increase of
knowledge and understand-
ing, mostly but by no means
entirely scientific knowledge,
and our increase of control
over nature on the other.
The ordinary intelligent man
who knows anything about
science can no longer believe
in miracles, or the Bible
story of creation, or the idea
of a personal God making
the forces of nature do what
He happens to want. The
facts of religious conversion,
inspiration, and the like no
longer seem to demand the
personal intervention of a
Deity, but can be understood
rationally through our new
knowledge about human
psychology.

Primitive peoples personi-
fied facts of nature—the
sun, the sea, love, wisdom.
Later religions put the
divine personalities behind
the facts, not in them—
Neptune behind the sea,
Venus behind love. Still
later all the different divine
personalities were reduced
to one—a single omnipotent
God in control of all the
forces of nature, including
human nature. (That is an
over-simplification, but is
essentially true). And in the
last few decades Divine
Power has been receding
further into the background,
His control getting more and
more indirect, His immedi-
ate contact with events
more problematical, until
God in the usual theological
sense has faded into little
more than a thin-spun
metaphysical embroidery on
the facts, rather as the
Cheshire Cat in Alice in
Wonderland faded into a
mere smile.

★
I BELIEVE that the
overdue revolution in
theology consists simply in

war machine, but in this respect she
has only started to scratch at the
surface and products from these
areas cannot hope to replace the vast
imports from the democracies which
are now denied her. How rapidly
the effects of these economic sanc-
tions are likely to be felt is difficult
to estimate, but their very imposition
is a grave threat to the future of
Japan, and one which is going to
have a more salutary result than a
thousand official protestations from
Washington and Whitehall.

GOD AND THE WAR

Science And Religion

BY JULIAN HUXLEY

Famous Biologist and
author of many bril-
liant contributions in
the field of modern
scientific reasoning.
He is Secretary to the
Zoological Society of
London.

us that there is something uni-
versal in the world which trans-
cends all particularity, of time or
space or human variety.

Since it incorporates our
aspirations, it is an urge to a
better life. Since it reminds us
of the existence of general ideals
and of particular efforts to
realize them, it is a support and
comfort and a very present help
in trouble. Since ideals can
only be set up on the basis of
generalising from particulars,
the idea of God must include our
individual aspirations, our con-
crete acts of love and under-
standing, our separate attempts
at righteousness. Thus God is
what the theologians call im-
manent as well as transcendent:
the Kingdom of God in its most
essential aspect is within us, and
there is a real sense in which we,
as individuals, can be united
with God.

★

AND the difficulties fall away.
God, in the sense in which
I have used the term, is made
by man, not man created by God.
If there is suffering and war, it
is because we have not made
our God good enough, and not
believed in it actively enough.
When we look back on the his-
tory of religion, it is clear
enough that God does change.
Jehovah was a much better God
than the cruel God of the Aztecs
or the all-too-human Gods of
ancient Greece; but the Chris-
tian God was a considerable im-
provement on Jehovah. In this
fact that God can change and
develop, lies the central hope of
religion for the future.

New Super U.S. Dive Bomber

By Dan Rogers
United Press Staff Correspondent

BUFFALO, N.Y., July 28
(UP)—The United States has a
dive bomber that can out-per-
form any aeroplane in the
world, including the famed Ger-
man Stuka, according to experts
here.

Built by Curtiss-Wright Aeronau-
tical Corporation, the bomber does
not have a name yet. It has only
experimental number XSB2C-1 for
the Navy acceptance tests. Lieut.
Hugh R. Neiman, Chief Navy In-
spector at the Curtiss-Wright plant,
said the bomber had surpassed the
Navy's hopes.

"As far as I personally am con-
cerned," he said, "I'll not rest until
our Navy carriers are filled with
these ships. It is the sweetest dive
bomber ever built."

Speediest Built

The plane is said to have a top
speed 100 miles an hour faster than
existing types, and the ability to fly
twice as far and remain in the air
four and a half hours longer than
any present dive bomber. It carries
a bomb load of 2,000 pounds against
a German Stuka's 500 pounds.
The ship is powered with a Wright
cyclone motor which turns up close
to 2,000 horsepower. It is armed
with a power-operated machine-gun
turret sweeping a full circle.

The ship's top speed never has
been reached but it probably can
dive in excess of 500 miles an hour
and safely withstand the pull-out.

This correspondent rode the gun-
ner's cockpit of the bomber in a dive
from 7,000 feet to 3,000 feet recent-
ly. The pilot was Lloyd Child,
Curtiss-Wright chief test pilot who
once dived at 575 miles an hour.

Trial Dive

After strapping on a parachute
and signaling a release in case of ac-
cident, I climbed into the gunner's
seat and Child gave the ship the al-
low. Soon we were in a steep climb and
within a very short time had reached
7,000 feet. Child looked at me and
smiled. We were "going over the
hump." The altimeter began spin-
ning and the wind screamed past.
Nose down, we seemed to be tearing
at the earth.

Had I been the rear man on a
bombing mission it would have been
my duty to warn Child through the
communication phone when we
reached 3,000 feet by shouting
"murk." Thus we could pull out of
the dive between 3,000 and 2,500 feet
and not be destroyed by our own
bomb. The bomb goes at 2,500
feet.

GRIN AND BEAR IT By Lichty



"I hate Ladies' Day—women can always think of nastier
insults to scream than men!"

Dominion Airmen's Gallantry

LONDON, July 28 (British Wireless).—Dominion airmen are among the recipients of awards for gallantry during the recent heavy raids on cities in Western Germany, thrilling stories of which are now told.

Sergeant N. Williams, born in Dunedin, New Zealand, who received the D.F.M., took part in the daylight bombing of Bremen on July 4, attacking the centre of the town at a height of 50 feet, flying through a balloon barrage and extremely heavy A.A. fire.

The aircraft received direct hits. Williams and another were wounded but the crew, with Williams navigating, "displayed great courage and determination under extremely harassing circumstances" and successfully brought the aircraft back, crash-landing at the aerodrome.

Fire In Air
Squadron Leader R. P. Widdowson, Winnipeg, receives the D.F.C. for bringing back his aircraft which was attacked by a Messerschmitt while returning from a raid on Munster and was severely damaged and set on fire. Tremendous efforts were made to subdue the fire. All these articles were mentioned and the aircraft was successfully brought back despite reduced speed and loss of height.

Cannon Jammed
Sergeant M. H. Ross of Quebec, who received the D.F.M., was gunner in a night fighter. One night last March, an enemy bomber was intercepted but the cannon jammed repeatedly. Ross cleared the stoppages four times under difficult conditions at a height of 12,000 feet enabling the pilot to destroy the bomber. He has helped to destroy two other night bombers.

Flight Lieutenant H. Speke of Bloemfontein, gets the D.F.C. for continuous distinguished and successful operational service day and night. He has destroyed four and damaged at least two enemy aircraft by night.

EXPORTS FROM FREE CHINA

Satisfactory Increase
CHUNGKING, July 28 (Central News).—In the half-year period from January 1 to June 30 this year, 54,405 quintals of wood oil were exported from Chungking for foreign markets, making an average of 9,077.50 quintals per month. Compared with the first six months of 1940, this is an increase of over 4,000 quintals.

Export of raw silk, mostly white silk, this year more than doubled that of the corresponding period of last year—1,447.03 quintals for 1941 and 611.74 quintals for 1940.

The increase in the quantity of bristles exported was more than 20 per cent, an 5,007.50 quintals of bristles were exported between January and June this year against only 4,114.25 quintals during the first half of last year.

NEW ZEALAND MILITARY POST

WELLINGTON, July 28 (Reuter).—The resignation of Sir Andrew Russell from the Inspector-Generalship of New Zealand Military Forces is announced to-day by the acting Premier Mr. W. Nash.

Mr. Nash said that Sir Andrew had reached his decision consequent on the appointment of Sir Guy Williams as military adviser, and also for health reasons. Mr. Nash paid tribute to the work of Sir Andrew who the Government had re-appointed to the War Council.

Gib. And Algierias Exchange Courtesies

GIBRALTAR, July 28 (Reuter).—A very friendly atmosphere characterized the first visit to General Lord Gort of the newly appointed Governor of Algierias, General Don Fernando Barron Yorlitz.

The Guard of Honour was mounted and Naval, Military and Air Force officials were present.

The Governor was given a 17-gun salute upon his arrival and departure.

MacArthur Takes Over

P. I. Military Talks
MANILA, July 28 (Reuter).—General Douglas MacArthur, who has been appointed Commander-in-Chief of the United States Army in the Far East, conferred with staff officers and President Quezon to-day.

President Quezon has handed over his presidential yacht to the United States Navy for use as a minefield patrol ship.

Consul's Statement
MANILA, July 28 (Reuter).—The Japanese Consul in Manila stated to the press to-day that Japan wants peace unless she is provoked beyond human endurance.

The Japanese will not fight. There is no sense in fighting because the winner will lose in the end.

Quezon's Approval
MANILA, July 28 (Reuter).—President Quezon has telegraphed Colonel Henry Stimson, Secretary for War, voicing gratification at the appointment of General Douglas MacArthur and repeating his pledge of loyalty to and co-operation with the United States.

A significant note is that the Socialist communities of Pangasinan, known as the Philippine "Red Belt," have issued a joint statement pledging loyalty to the United States and their readiness to fight under the leadership of General MacArthur against all foes of democracy.

Europe's Cost Of Living

Expensive Clothing
VICHY, July 28 (Reuter).—The most striking rises in retail prices in European countries since the beginning of the war have occurred in clothing, according to the July Statistical Bulletin issued by the League of Nations, says a Bern dispatch.

In Germany, where the general cost of living index has only risen six per cent, between the first six months of 1939 and May, 1941, the increase in clothing costs was 17 per cent.

In the United Kingdom and Denmark there was an increase of 72 per cent, in Finland and Norway 70 per cent, and in Yugoslavia 103 per cent.

Thai Mission To Singapore

THAI MISSION, July 28 (Reuter).—The Thai Military Mission, which is returning to Bangkok on Thursday, have been greatly impressed by the efficiency of Malaya's defences.

"We have every reason to be satisfied with our visit," the leader of the Mission, Lieut-Colonel Luang Sura Narong, told "Reuter's." "It has been most interesting."

The Mission's visit has lasted nearly three weeks.

General MacArthur Nominated

SPECIAL TO THE "TELEGRAPH"
WASHINGTON, July 28 (UP).—The nomination of General Douglas MacArthur to be head of the United States and Philippine armed forces in the Far East was sent to the Senate to-day by President Roosevelt.

Appointment Confirmed
WASHINGTON, July 28 (UP).—The Senate to-day unanimously confirmed the appointment of General Douglas MacArthur as Commander of the United States and Philippine forces in the Far East.

Axis Embassies Sealed Up

CHUNGKING, July 28 (Central News).—The German and Italian Embassies in Chungking were officially sealed yesterday following the departure of the last batch of the Axis diplomats yesterday morning by air for Indo-China.

Equine Sports Club Plans Expansion

Vory Successful Year
A large number of members were present at the annual meeting of the Equine Sports Club, which was held in the clubhouse at Shatin on Sunday afternoon.

In the course of his speech the Acting President, Mr. T. J. Hemmley, referred to the rapid growth of the Club and put special emphasis on its international membership. He said (in part): "To-day marks the end of another successful year. Some of you will remember the formation of this club some six years ago, with an original membership of about twenty. To-day we have nearly two hundred members."

In spite, however, of the lapse of time, its rapid growth, the Equine Sports Club remains exactly as it was originally formed; that is, a club of horsemen irrespective of their class or creed or (in happier times) of their nationality.

Cycle Time Trial Prizes

The prize distribution to winners of the 25-miles bicycle time trial, held on the Castle Peak Road on July 9 took place at the Chinese Y.M.C.A., Kowloon, yesterday, Mr. C. P. Murphy, Chief Air Raid Warden for Kowloon making the presentation.

Prize-winners were:—1. A. J. Sandberg, La Salle College; 2. Kwong Man-sai, St. Joseph's College; 3. Yip Wing-kin, St. Joseph's College.

Two runners-up were presented to Miss Heung Shu-chung and Miss Chung Chung-man, of the school of Practical Accountancy.

PROBABLE WORLD CHAMPION

Vancouver, July 27. The Royal Canadian Henley Regatta at St. Catharines, Ontario, today revealed that Ted Dubois, of Winnipeg, is the likely successor to Joe Burk the world premier sculler.

Dubois won the single sculls beating Joe Anyul, of Brooklyn, America, after a stern race over a mile and 550 yards in 8.10. Dubois beat Anyul in the recent American championship and last year was second to Burk for both the American and Canadian titles.

Buffalo West Side had more successes on the last day of the regatta when the team honours for the second successive year.—Reuter.

WELLINGTON KOO AT LUNCHEON IN LONDON

LONDON, July 28 (Central News).—Dr Wellington Koo, Chinese Ambassador in London, was the guest of honour at a luncheon to-day given by Mr. Lee Teh-yeh on behalf of the Bank of China. Mr. Lee is Manager of the London Agency of the bank.

At the function, the Bank of England, the Chartered Bank, the Hongkong and Shanghai Bank and the Chase Bank were represented by their chiefs. Sir Leith-Ross, on behalf of the Ministry of Economic Warfare, and Mr. MacGowan, on behalf of the Export Credits Department, were also present.

Chinese guests included Dr. P. W. Kuo, Administrative Vice-Minister of Finance, Mr. Wunsz King, Chinese Minister to Holland, Mr. Chen Welien, Counsellor of the Chinese Embassy in London, Dr. Wang Ching-shan, Director of the Chinese Government's Purchasing Commission in London, and others.

Last week, Dr Koo was received by the Queen and saw all the members of the War Cabinet.

U. S. Shore Stations Bill Approved

WASHINGTON, July 28 (UP).—The Senate Naval Committee has approved the Bill for \$244,020,000 worth of improvements on naval shore stations, including Cavite, which has already been approved by the House of Representatives.

Defence Bill Passed
WASHINGTON, July 28 (Reuter).—The new \$8,063,000,000 defence appropriation Bill was passed by the House of Representatives to-day and sent to the Senate.

The Bill includes \$4,700,000,000 for the Army to equip and maintain a land force of 1,727,000 men plus critical items for a 3,000,000 men army.

The Navy will get \$1,569,000,000 and the Maritime Commission \$1,000,000,000 for the construction of 641 cargo boats and the acquisition of 350 others.

Indian Trade With Japan Threatened

SIMLA, July 28 (Reuter).—The Government's decision to freeze Japanese assets in India and similar action by the Japanese Government in respect of Indian assets in Japan is expected by well-informed circles to lead to a complete cessation of Indo-Japanese trade.

Indian exports to Japan for the year ended March 31 last totalled \$275,200 and imports from Japan amounted to £1,616,100.

Although no mention of trade is made in the order of either government, it is probable that the freezing orders will not affect the goods which are ready for shipment or which have already been paid for by either country.

Present Convention
The order of the Government of India does not affect Japanese goods for which payment is already made. No trade agreement exists at present between India and Japan but a commercial convention requires that Japan take from India cotton to the value of India's import of Japanese textiles.

The convention is now under six months' notice of termination.

Trans-Jordan Reorganises

AMMAN, Trans-Jordan, July 28 (Reuter).—The key Ministers of Defence and Foreign Affairs have been placed in the hands of the Prime Minister, Tewfik Pasha Abou Houda, in Trans-Jordan's new Cabinet.

Tewfik Pasha to-day offered his resignation to Emir Abdullah, who accepted it but at the same time requested him to form a new Cabinet.

With the office of Prime Minister, he has also assumed the posts of Minister of Defence and Foreign Affairs.

The new Cabinet includes two former Ministers.

Middle East Air Activity

LONDON, July 28 (British Wireless).—A communique issued by the R.A.F. Middle East states: "R.A.F. fighter aircraft intercepted two Savoyn 79's off Malta yesterday and shot both down in flames 50 miles out to sea."

"Heavy bombers again raided Benghazi harbour during the night of July 26-27 and obtained hits on moles and Julian Point."

Matsumoto Maru Outside S'pore

SPECIAL TO THE "TELEGRAPH"
SINGAPORE, July 28 (UP).—It is reliably reported that the Japanese steamer Matsumoto Maru is lying off Singapore pending the clarification of the situation resulting from the freezing order.

The N.Y.K. stated that the steamer Hakone Maru which will arrive here on Tuesday en route to Bombay has been fully booked for the return voyage from Singapore to Japan due to the fact that she will be the last Japanese passenger vessel to leave for Japan prior to the diversion of the passenger lines from Singapore.

Asama Maru Fails To Show Up
HONOLULU, July 28 (UP).—The Asama Maru did not appear off port at noon in accordance with her schedule. Unofficial quarters understand that the ship is waiting about 500 miles to the West.

Due In India
BOMBAY, July 29 (Reuter).—Two Japanese steamers—Melbourne Maru and Tomagawa Maru—which were due here on Sunday did not arrive.

Their Bombay agents have no advice about the cause of their delay.

Assurance By Welles
WASHINGTON, July 28 (Reuter).—Mr. Sumner Welles has informed the Japanese Ambassador that prompt clearance would be granted to Japanese ships from American ports.

SINGAPORE, July 28 (Central News).—After long preparations, the Alexandra Military Hospital in Singapore is now open for the exclusive use of the services.

DE GAULLE IN BEIRUT

Freedom Of Lebanon
LONDON, July 28 (Reuter).—"It is right, just and practical to establish the real sovereignty and independence of Lebanon not only for the sake of Lebanon but for the sake of France herself," declared General de Gaulle in a speech at Beirut to-day.

General de Gaulle was addressing a gathering representative of the religious, political, social and economic life of Lebanon, according to a dispatch to the Independent French Agency.


The General added: "Our presence among you means that France will co-operate with you to defend your liberties against those who threaten them. If for strategic reasons our brave Allies, the British, have come here with us, it is to help us to fulfil our age-old task as we are helping and will continue to help them in other territories."

Great Welcomed
DAMASCUS, July 28 (Reuter).—General de Gaulle arrived at Damascus to-day on his first official visit to the Syrian capital.

The population gave him a great welcome and the city was beflagged. A review of the garrison and various other ceremonies have been arranged to mark the occasion.

General de Gaulle will take the opportunity to confer with the British authorities and leading Syrian personalities regarding the setting up of a new regime and establishing the independence of the country.

An important statement is expected to-morrow in the message General de Gaulle will be addressing to the Syrians.



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"Ball Fan's" Baseball Notes

Chung Hwa Maroons' Improved Display

South China Downed 6-3: Steady Hurling By Moundsman Al Lau

A real bitter mixture of bad rainy weather and front office upheaval, coupled with the absence of the Asheville-Tulsa combination from port was enough to limit the week-end baseball card to one solitary game, as the former seven team loop continued to limp its way toward the season's end.

Chung Hwa's fighting Maroons clipped through with another win as they set the South China gang down 6-3. It was the second Maroon win in the "All Chinese classics."

Acting On Misinformation Received.....

Reasons For Wrong Baseball Schedule

It is felt that an explanation should be forthcoming from this column to those who read the baseball gossip on Saturday in regard to the weekly baseball schedule which did not coincide with the one eventually and officially set by the League Secretary.

Deepest apologies are offered to those Mindanao players who appeared at the ball park on Sunday around 9.50 a.m. expecting the game to start at 10 a.m., to the members of the Chung Hwa Maroon team who were erroneously scheduled to play two games over the week-end, to Dave "Dixie" Walker, popular Cardinal coach and a real fellow, and to those ball fans who may have appeared at the Chatham Road park expecting the game to start at 10 a.m.

Information was definite as late as Friday by the League Secretary that the games, as printed, were to be played over the week-end.

But on with the story—A league meeting was held on Friday for the purpose of revising the schedule after the black spot inserted into the local baseball annals the previous couple of weeks.

But what was run into at this meeting called to revise the schedule?—You guessed it, ball fans—into a typhoon. Yes, sir, A typhoon of words regarding the H.B. Mindanao affair, with the "gab gab gabbing" see-sawing from one side to another.

During the short interim when the general committee were in private confab, the League Secretary was asked for the two-day baseball card to be played over the week-end.

He said that the Chung Hwa Maroons were playing two games, the first against South China on Saturday, and against Mindanao's terrific M on the Sabbath morn.

It was discovered on Saturday after reading the morning paper that Welfie Welford's Royal Engineers were taking on the terrific M at 11 a.m. on Sunday.

Although a writer may be just one of the many, many plain "nobodies" in this peculiar-customed Colony, the League Secretary, in the interest of local baseball, for those teams that make up the league and for ball fans in general, should have at least made an effort to inform this column of the change, coming as it did just after being told otherwise.

However, it is felt that ball fans, those who really make the game,

GRANDPA Leung's Chung Hwa nine rode confidently to the gates of victoryville in the opening stanza, marking up four big tallies on the "Coca Cola" scoreboard.

Veteran Dick Chung, making a welcomed return to the Maroon lineup, slugged out a rousing triple to start off this high-scoring inning. Forrest Leung and Bill Chung both walked to fill the bags, putting South China hurler Paul Lau in the well-known "tough spot" at the outset.

Morocco Chan's driving bingle to left drove in two runs and Bill Chung breezed across the plate with another tally on Hal Winglee's wrist. Al Lau tied to centre-field for the first out in this eventful 1st stanza, but another Maroon run crossed the plate when Morocco Chan sped home on "spectacle" Shum's bingle over second. Willie Woo hoisted to left and T. H. Hsiao infiled out, ended the winners' high-scoring inning.

The Chung Hwa men finished off their scoring session for the day with two more runs in the 3rd frame, on two hits and a walk, with "H" Lau and Dick Chung whizzing by the pay-off pan on Morocco Chan's timely line drive.

In the 5th canto after Pat Wong, South China centrefielder had popped to short, Maroon twirler Al Lau weakened momentarily to walk Dopey Lo and Ernie Moy. Paul Lau

Saturday's Stars

Al Lau and Dirk Chung, Chung Hwa Maroons—Former hurler another steady game to chalk up his second victory over the South China nine, leading the Caroline Hillmen to three scattered hits; latter made a welcomed return to the Chung Hwa lineup, leading the winners' clouting attack with a sizzling triple and a single.

hoisted an easy one for the second out, but Cecil Winglee took first on a "four ball special" to fill the bags. Nelson Ma's sizzling single drove in Dopey Lo with South China's first tally of the game. The excitement died down when Ernie Moy was caught stealing home for the last out.

The Caroline Hillmen added two more runs in the last of the 7th inning, in a desperate bid to pull the game out of the fire.

In spite of the fact that regulars Wally Ching, P. F. Choy and Hank Chan were out of the lineup, the Maroons played confident ball behind the steady hurling of Al Lau who limited the weak-willed South China gang to three measly blows. The spectacled moundsman showed flashes of speed in "laying 'em over" and appears to be improving rapidly with each game.

those who go out to the ball park regularly, those who bought season tickets and were expecting to see a real baseball season—yes sir! They are the ones who have been taken for the toughest ride.

Water-Polo

SIGNALS HELD TO DRAW BY MIDDLESEX "A"

DESPITE having attained a lead of 4-1, Signals, unbeaten leaders of the Water-polo League, were held to a 4-all draw by Middlesex "A" in the Army pool yesterday. Middlesex opened the scoring but in the early stages of the second half, poor marking had cost them four goals. They staged a rally, however, and two quick goals and then a long shot from Ure from over the half-way line saw them draw level at 4-all.

Other Games

Navy "C" beat Middlesex "B" 3-1, scorers for the sailors being Hulsh 2 and Wilson. Holdford replied for Middlesex.

Win For R. Scots "A"

Royal Scots "A" met their "B" team and emerged winners by the odd goal in five. Gray, Millar and Hunter registered for the "A", while Laws and Morris tallied for the "B".

Basketball's "Big" Game Slated For To-morrow

South China v. Sing Tao

ON THE AGENDA as the basketball classic of the year, Hongkong's rabid-cage fans are once again eagerly awaiting the opening whistle to set off the "game of games," when the smooth working Sing Tao basketballers tackle South China's classy cagers in a spotlighted tilt of a two game card, to-morrow night at the Kowloon Chinese Y.M.C.A., Waterloo Road, at 8.30 p.m.

Games Played Yesterday

Competition for the Wu Teh-chen Cup in the summer basketball league began last night at the Chinese Y.M.C.A., Kowloon, when two matches were played. General Woo's Secretary, Mr. Tong Siu-huen, tossed the first ball. Wah Kiu beat Bank Union 54-28. The half-time scores were 27-14 in favour of Wah Kiu. Outstanding player was Ting Chan-hon (Wah Kiu) who played right wing and scored 24 goals.

Second Match

The second match was between Black Cats and Kowloon Residents Union, the former winning 40-37. The half-time scores were 24-16 in favour of the winners. Leung Yai-hung (Residents) played right wing, scored 19 goals. Black Cats had two brilliant players in Li Pul-wing and Leung Kwok-yiu who between them scored 31 goals.

Dick Chung, Chung Hwa Maroons, sliding back to third base in their Baseball match at Kowloon park on Saturday. Texaco Ng ready to nab the throw from catcher.—Ming Yuen.



MOMENT OF ACTION AT THIRD

Touring Chinese Lose Second Soccer "Test"

Leading 2-1 at Half-time; Beaten 4-2: Woo Injured

LOSS OF C. S. WOO, left-half, through injury, probably cost China the second Soccer Test at the Sydney Cricket Ground on July 4.

Australia won 4-2, but when Woo went off 25 minutes from the end, the scores were 2-all and it looked anyone's match.

Woo received a kick in the chest and was badly bruised. He could not say how it happened. A crowd of 24,337, who paid £2,139, had many thrills.

China scored in the first three minutes, and led 2-1 at half-time.

Clever Forwards

EVERY man in the Australian team played his part. The forwards, Crowhurst, Wilkinson, Quill, Hughes, and Wynn, kept the ball swinging purposefully from wing to wing.

The thrustful methods of the half-backs, Bryant, Coolahan, and Osborne, provided many scoring chances.

The Chinese half-backs, R. Chang, Sung, and Woo, were clever, too. But the visitors had no chance when Woo left.

All the clever scheming and dash of the Chinese centre-forward, Hui, and his inside supports, Fung and Lai, backed by the methodical distribution of centre-half Sung, was frustrated by the excellent defence of Wallace, Evans and Morgan.

The Chinese goalkeeper, Y. Chang, made some of the finest "saves" ever seen in Sydney. He dealt confidently with shots fired in from all angles by Wynn, Hughes, and Wilkinson in the first half.

The Chinese were at their best in the first three minutes of play. Lai made an opening for Hui. This fleet-footed centre-forward evaded Coolahan and swept the ball across to Tiao, who beat Morgan with a terrific drive.

Wilkinson carved a perfect opening for Hughes to level the scores.

Next, Hui lobbed the ball over Morgan's head when the Australian keeper ran out to meet the oncoming Chinese, and gave China a 2-1 lead at half-time.

China's Missed Chances

AUSTRALIA looked the better team in the early part of the second half, and after clever passing, Wilkinson made it 2-all from a pass from Crowhurst.

Several times the Chinese forwards lost chances through seeking easier scoring positions. Morgan brilliantly saved hot shots from Hui and Lai.

Then China, weakened by the absence of Woo, was unable to cope with the Australian attacks.

Crowhurst dashed ahead and sent a perfect pass to Quill. The centre-forward was too quick for goalie Chang, and Australia led 3-2. Then Hughes skillfully headed a high centre from Crowhurst into the net, and the game was as good as over.

Mr Peter Woo, co-manager of the Chinese team, said: "The field was too small for the Chinese style of play. It was unfortunate that we had to play with 10 men in the second half. I think we will win next Saturday."

J. B. Evans, the Australian captain: "It was a clean, hard-fought game. The better team won, though until the Chinese lost Woo the play was even."

AUSTRALIA 4 (J. Hughes 2, Wilkinson 2, Quill 1, Bryant 1, Osborne 1, Evans 1, Morgan 1, Crowhurst 1, Wynn 1, Chang 1).

CHINA 2 (Tiao 1, Hui 1, Chang 1, Sung 1, Fung 1, Lai 1, Wallace 1, Evans 1, Morgan 1, Crowhurst 1, Wynn 1, Quill 1, Hughes 1, W. Lai, C. T. Tiao).

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NANCY

By Ernie Bushmiller



Puppets Follow Tokyo Lead Against Anglo-U.S. Assets

Special to the "Telegraph"

PEKING, July 28 (Domei).—Acting in line with the Tokyo Government, the Japanese Consulate-General in various parts of North China to-day announced the control of business transactions between Japanese residents and the nationals of designated foreign countries including the United States and the Philippines and Great Britain.

British Dominions will be included in the affected foreign countries upon receipt of official reports. Similarly, the North China Political Commission has also taken similar measures with the Chinese people in order to co-operate with the Japanese.

As the result of the measures, the permission by the Japanese Consulate-General or the North China Political Commission will be necessary for business transactions between Japanese residents and the nationals of foreign countries designated in North China. It is understood that the living cost for one family will be limited to Yuan 500 of the Federal Reserve Bank currency per month.

The measures will not affect the transactions among the nationals of third Powers themselves including those of designated foreign countries.

Korea Follows Suit

SPECIAL TO THE "TELEGRAPH"—KEIO, July 28 (Domei).—The Korean Government-General announced immediate promulgation of the regulations controlling the transactions by foreigners within Korea. The action is taken as a counter-measure against the American freezing of Japanese assets.

Surprise

SINGAPORE, July 28 (Central News).—Local Japanese circles were surprised and perturbed by the rapidly with which Britain followed America in issuing the freezing order.

The Japanese Consul-General, Mr. Ken Tsunomiya, admitted that considerable "inconvenience" would be caused to Japanese business in Malaya. He added that the Japanese people in Singapore remained quiet and he had not yet received any instructions from Tokyo.

Managers of the Japanese banks here conferred with the acting Controller of Foreign Exchange this morning.

An official of the Yokohama Specie Bank pointed out that business between Malaya and Japan has been practically at a standstill for some time and consequently Japanese assets in Malaya are affected by the order are likely to be small.

Ships of the O.S.K. and N.Y.K. continue to call at Singapore, pending instructions from their head offices.

Indian Army Casualties Disclosed

SIMLA, July 28 (Reuter).—Indian Army casualties during the campaigns in Africa reported between December last year and July 8, totalled 6,427 of which 759 were deaths, including 21 officers, 26 Viceroy's commissioned officers, and 712 Indian other ranks.

The remaining casualties include 14,000 who are prisoners of war, 1,261 missing and 4,367 wounded. The proportion of casualties to the total number of troops engaged in the campaign is stated to be extremely low. The total wounded contains a very large number of men who were only slightly wounded and who either remained on duty or returned to their units long ago.

Sawada Tours S'hai Areas

SPECIAL TO THE "TELEGRAPH"—SHANGHAI, July 28 (Domei).—Lieut-General Shigeru Sawada, Supreme Commander of the Japanese Expeditionary Force to the Shanghai area, left Shanghai on July 28 and inspected Kunshan, Soochow, Wuchang and other districts where a Sino-Japanese joint clean-up campaign is now in progress. After inspecting local peace and order as well as the conditions of export and import, General Sawada returned to Shanghai to-day.

Customs In S'hai Limit Exports

SHANGHAI, July 28 (Reuter).—The Japanese-controlled Customs have imposed restrictions on certain exports from Shanghai, including machinery, provisions, cotton yarn and chemicals, according to Chinese reports.



Mr Harrison Forman, famous journalist and photographer, arrived in Hongkong yesterday. He is on a special assignment for the National Broadcasting Company of New York. Mr Forman scouted the world with his pictures of the Nazi attack on Warsaw.

Hollanders Create Navy Dept. To Continue War

LONDON, July 28 (Reuter).—The determination of the Netherlands Government to hold no parley whatsoever with the Nazi regime is re-affirmed in an announcement stating that Queen Wilhelmina has approved a number of ministerial appointments.

The only change in personnel is in the Defence Department. In view of the great importance attached, particularly in the present circumstances, to the Netherlands Navy, a separate Navy Department has been created.

This department will function under Vice-Admiral Furstner, who was Chief of Naval Staff in 1936 and this year was made Commander-in-Chief in European waters. The Netherlands Government reiterates that the entire conduct of affairs and method of working will continue to be directed to participating most energetically with the Allies and United States in the prosecution of the war, retaining their complete independence and the preparation of a solution of problems which will occur after the war.

No Talks With Hitler
Neither discussions nor negotiations with Hitler and his conspirators, it is stated, will be entered into. Every effort which the Kingdom of the

Netherlands is capable will be made in order to assist in the liquidation of the present day Nazi Germany.

Queen Wilhelmina will on Wednesday address, through the medium of Radio Orange, all Netherlands in Europe and territories overseas.

At the close of the meeting which was somewhat stormy and lasted five hours, Mr. Menzies announced that he was making an aeroplane tour of South Australia, West Australia and Tasmania, which parts he had not visited since his return from America and England.

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Nazis Protest Expulsion Of Minister

LONDON, July 28 (Reuter).—The expulsion of the German Minister in La Paz, Herr Wendler, has led to a second Note being addressed by the German Government to the Bolivian Government.

Referring to a document published by the Bolivian Military Attache in Berlin, Major Delmonte, to Herr Wendler, the German Note describes it as "at first sight nothing more than a clumsy forgery."

The Note goes on to point out that Herr Wendler immediately telegraphed to Berlin, stating that he had never received such a letter and had never entered into any kind of communication with Major Delmonte.

New Grounds
It adds that Major Delmonte declared to the German Foreign Office that he had never sent such a letter to the German Minister nor had he ever sent him any letter or received one from him.

The German Note concludes: "Major Delmonte has expressed a wish to make his declaration in public. In the face of this, the German Note must declare that the Bolivian Government, at the instigation of a third party and without any attempt at explaining the facts, have lent themselves to a procedure against diplomatic representatives of the Reich of a kind unparalleled in international relations. The German Government once more sharply protest against this."

Roosevelt's Warning

Emphasised By Press
WASHINGTON, July 28 (UP).—In an editorial to-day the "Washington Post" stated, "Roosevelt's action in placing the Philippines land and sea forces under United States command for the duration of the emergency is a further warning to Japan, if any more were needed, that this country intends to defend its Far East interest with all the resources at its command."

The "Baltimore Sun" in an editorial asserted that the orders to the Philippine army were "likely to impress Japan and just possibly exert some sobering influence in Tokyo at a moment when sobriety in outlook and decision is most needed in the Far East." It stated that the Philippines, together with the British and Dutch bases form a quadrilateral "which even the most ambitious Japanese strategists are bound to respect."

Nazis Deny Plan To Attack Turkey

LONDON, July 28 (Reuter).—The official German news agency to-night issued a denial from "competent quarters" of the Moscow announcement that secret documents had been taken from German troops showing that "Hitler planned to attack Turkey."

Such documents, it was declared, do not exist.



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"To the fact, Hawkins, that I have been promoted. I have my stripe. The man who stands before you is a real live Acting Lance-Corporal (unpaid)."

"I congratulate you warmly, Mr. Gerald. Doubtless you purpose to celebrate the occasion in the appropriate manner."

"I do, Hawkins, and in a big way. Turn out the cellar while I go to the phone and beat up a few of the lads. Let there be enough festivity to float a battleship."

"Very good, Mr. Gerald."

"And Hawkins, see that there's plenty of Rose's Lime Juice. Can't risk hangovers in wartime, you know. Rose's for Gimblets, and to wind up the evening. Attention to detail, Hawkins—that's what makes the good soldier."

"So I discovered, Mr. Gerald, when they made me Quartermaster-Sergeant in the latter half of 1917."

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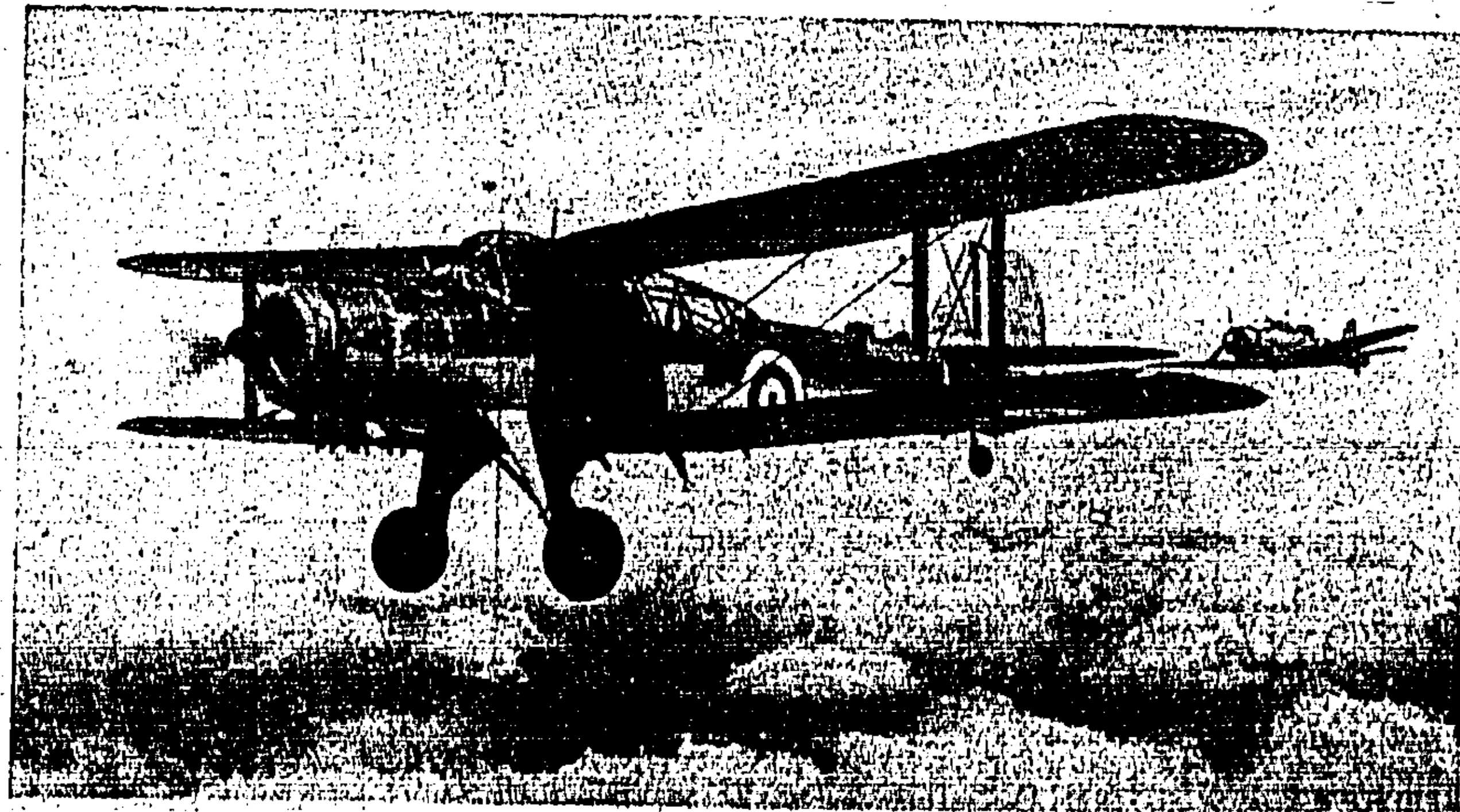
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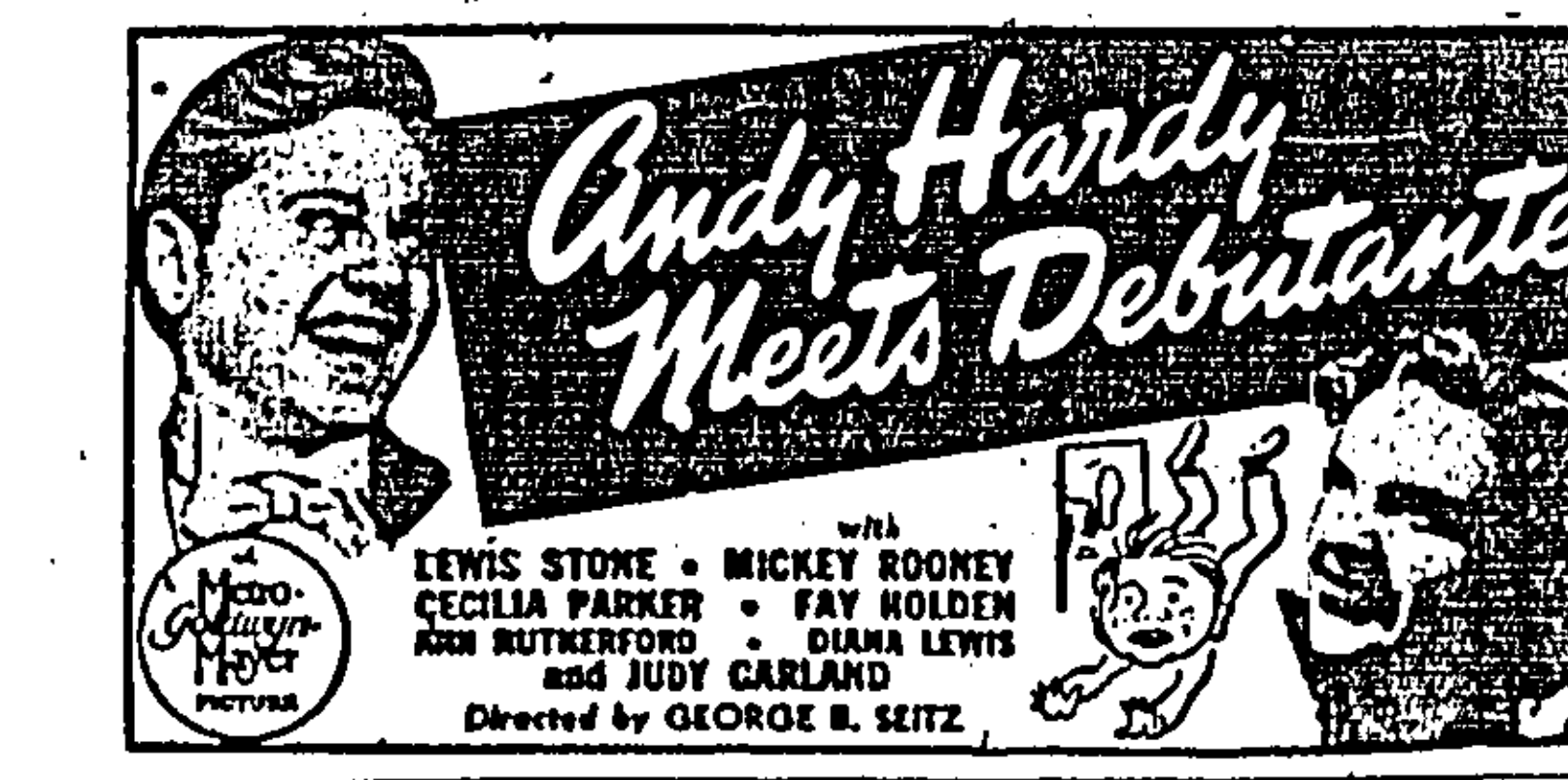
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TENSE PEIPING ATMOSPHERE

FROM PAGE ONE

from the main headlines in all local newspapers to-day.

Citizens in Shanghai were dazed all day long as wild rumours succeeded one another in rapid succession and the value of the Chinese dollar fluctuated violently.

There is, however, not the slightest questioning among British and Allied nations over the parallel action by the United States and the British Empire against Japan despite fears that it may end Shanghai's non-Japanese trade for the duration.

The feeling among Shanghai's Britons and Allied nationals is fairly accurately summed up in an article by a well-known British journalist and common-law writer: "Retaliation having at last been instituted, it will be hoped by all Britons and Americans that it will be pursued to the utmost limit, notwithstanding the probability that it may result in temporary suffering and inconvenience in centres where the Japanese Army holds sway."

"It is now the eleventh hour and nothing is to be gained by tempering with this retaliation in order to avoid offending Japanese susceptibilities. The sooner its full effects make itself felt upon Japan, the more likelihood there is of an earlier appreciation by the Japanese of the disastrous consequences of their army's policy."

Noteworthy Comment
The most noteworthy comment by newspapers supporting the puppet Nanking regime appeared to-day in the "Kuo Min Hsin Wen," which says that Japan can only adopt economic reprisals against the British and American action in freezing Japanese assets and that war is still far off. The newspaper suggests that Japan may retaliate by confiscating American and British assets in Occupied China which are estimated at about \$500,000,000.

Among many unconfirmed rumours circulating in Shanghai to-day was one stating that the Japanese-controlled Customs here had imposed restrictions on certain categories of exports from Shanghai. These were listed as metals, machinery, cotton, piecegoods, cotton yarns, chemicals and provisions.

If this rumour is true, it means that the only future possible buyers of such articles will be the Japanese and the only payment which will be received will be in the Japanese military yen.

According to local banking and commercial circles, a Japanese ban on non-Japanese goods from Shanghai, if not yet introduced, is almost inevitable.

NAZIS BROUGHT TO A STANDSTILL

FROM PAGE ONE

are terribly cold and damp. The days are frightfully hot while nights of torturing mosquitoes swarm round the labouring soldiers' heads.

Wading Through Swamps
"Often the soldiers must wade knee-deep through black swamps. These forests provide the best cover for the Russians, for the Germans cannot see the enemy. As soon as the Germans enter a forest, they meet with a withering fire from the Russians from trees here, there, everywhere."

Another difficulty, the correspondent continues, is "Soviet forts constructed as part of the landscape. They are so well camouflaged that they are easily overlooked. The ground in front is sown with mines."

Stalwart Defence

Describing an attack on one such fort, the correspondent says: "The attempt at an attack on the Dutch East Indies or Singapore."

Hint to Latin America

WASHINGTON, July 28 (Reuter).—Mr. Sumner Welles to-day intimated that the United States would not be a party to a Russian attack on a neighbouring farm building so that the Germans thought that the fort was abandoned. When they approached more closely, a murderous blast of machine-gun fire opened from the fort itself. Only after the German artillery, shooting at a hundred yards' range, had opened a breach in the fort's walls were the Germans able to enter.

Underground Passages

"Even then the dangers were not ended as Russian forts are often constructed of three floors with numerous underground passages."

"One Russian posted outside said that they had nothing to fear as the few surviving Russians were anxious to surrender. The Germans, entering unsuspectingly, were met with a fierce fire inside and only captured the fort after killing every Russian defender."

Eight Airfields For Japan In Indo-China

Continued from Page 1

fence of Indo-China was concluded last Wednesday," it was announced by the Japanese Military Mission in Indo-China.

According to a "Domei" dispatch from Saigon quoted by the Tokyo Radio, "negotiations for the conclusion of this detailed agreement were started last Wednesday morning and were brought to an amicable conclusion on 8 p.m. the same day."

The agreement was reached between Major-General Sumita, head of the Japanese Military Mission, and Vice-Admiral Decoux, Governor-General of Indo-China.

Lord Rennell Of Rodd

LONDON, July 28 (British Wireless).—The death was announced to-day of Lord Rennell of Rodd who was British Ambassador in Rome during the last war.

Lord Rennell, who was 82 years old, spent some 40 years in the diplomatic service.

Nations Lining Up Against Japan

FROM PAGE ONE

ed that the United States would welcome parallel action by other American countries in the economic control measures against Japan. Stating that the Latin American countries were free to act in any way they deemed advisable he cited steps already taken to ensure access by the United States to Latin American defence materials and to prevent the export of such goods from the United States.

Asked specifically about the possibility that Venezuela might refuse to sell oil to Japan, Mr. Welles replied that it was solely a question for Venezuela to decide.

Views Exchanged

"United Press" adds that Mr. Welles asserted that the United States and all other interested Governments had frequently exchanged views and had been in constant communication in order to permit parallel action against Japan in the South Pacific whenever such action was deemed desirable.

He declined to comment upon the possibility of Japan getting vital supplies of oil from Venezuela and other oil-producing Latin American countries, but said that as sovereign nations, these would probably proceed under their own national policy. He denied that any agreement had been reached for the United States to purchase the entire surplus oil output of Mexico.

Mr. Welles talked over the Far Eastern situation with Lord Halifax, the British Ambassador who had just returned from a tour of the west coast. Lord Halifax, a newsman, said that he had no information regarding the developments in the Far East. Meanwhile the newly arrived Soviet Military Mission began consultations with the State Department on the problem of co-ordinating American aid to Soviet Russia.

Effects Already Seen

NEW YORK, July 28 (Reuter).—Drew Pearson and other newsmen in their joint column in the "New York Mirror" on July 28 stated: "The double-barrelled dose of economic warfare—the freezing of Axis assets and the black list—have played real havoc with Axis operations in South America."

"Confidential Government cables report that as the result of these measures, 25,000 Axis nationals have been uprooted wholesale from their thriving enterprises and have become refugees, getting a dose of the bitter medicine Germany meted out to millions of European victims."

Nomura On Ships

WASHINGTON, July 28 (Reuter).—Before conferring to-day with Mr. Sumner Welles about the freezing of Japanese assets in the United States, Admiral Nomura, the Japanese Ambassador in Washington, told newspapermen that he understood that Japanese ships were not subject to the freezing order.

He hoped to clarify this and other questions at the State Department, he added.

PRESSURE RELAXES

FROM PAGE ONE

1,800-mile front enters its 37th day. The Nazi High Command said that all attempts by the Soviet forces to break out of the encirclement around the city of Smolensk have ended in disaster and that the battle will soon be over there. The official German news agency presented detailed reports of the mopping up of Soviet forces around Smolensk and claimed the capture of 35,000 prisoners, 750 machine guns and 100 tanks.

Another D. N. B. report claimed that a Nazi division from Bessarabia had broken through a section of the Stalin line on the southern front, capturing 21 Soviet tanks in the course of the operation. The reports did not indicate the exact location of the breakthrough, and it is recalled in this connection that about three weeks ago the German High Command claimed that the Stalin line had been broken "at all decisive points."

A Moscow dispatch from the front reported a 13-day battle in an unidentified sector of the Finnish front as having ended with the annihilation of one half a German infantry division and the routing of the other half.

Tokyo Seeking New Money Agreement

Continued from Page 1

East Indies are commencing pressure on Japan."

The "Chugai" said the Foreign Office is seriously watching developments.

Tokyo To Try Leniency

TOKYO, July 29 (Reuter).—Following the Netherlands East Indies freezing action Japan now faces complete isolation economically except in Japanese dominated areas of the Asiatic continent.

It is expected that this situation will be borne silently at present but an explosion is imminent as soon as adverse effects are noticeable.

Meanwhile the present tendency is to be as lenient as possible according to the policy followed by others.

TWO JAPANESE PLANES DOWNED

SPECIAL TO THE "TELEGRAPH"

CHUNGKING, July 28 (UP).—It is reliably reported that two Japanese planes were shot down by Chinese pursuit planes in a severe air battle in the vicinity of Chungking.

The wreckage of both machines was found near the city of Pishan, 40 miles west of Chungking.

Angry Evacuees Meet In Sydney

FROM PAGE ONE

and 400 children in Hongkong," said Mrs. Dewar. "Nineteen returned in the last three boats. We are justified in asking to return if only from the moral aspect, otherwise our homes may be irrevocably broken."

More Letters

More letters from Hongkong evacuees have also been appearing in the Sydney "Sun," two of them being here reprinted.

"Lancashire Lass" is perhaps not aware of the fact that quite a few of the evacuees are still in love with their husbands. A woman who has not yet learnt in this world that you cannot run away from danger and thinks she is safe in Australia needs our sympathy.

I am from the Old Country. The Old Country wouldn't be "taking it" with its back against the wall. If "Lancashire Lass" were an example of its people, sitting snugly back with her £31 and one child. She should never have gone to Hongkong. One goes to the East to stand by one's husband, whatever happens.

Incidentally, we don't all get £31 a month. I get £20, with two children under three. Quite a number get less. Ask the Hongkong financial liaison officer for a few statistics, then try finding accommodation for two children under school age. Let's go back to our homes, even if it is a short-lived happiness; our children will at least know they have a father.

MAID OF KENT

Not Against Australia

I am not a growler, but like hundreds of others, I am most anxious to return to my husband and home in Hongkong, and I dispute "Lancashire Lass's" statement that "a large number, if not the majority" of women would prefer to remain here. Had we been given choice of evacuation many of us would have chosen to stay, and let those who wanted to and who have the means to support two homes, easily, go. "Lancashire Lass" is lucky to have £A31. per month, and should be very comfortable on that amount. I and hundreds of others only have £A20 per month, and I, too, have one child to keep and look after, and besides that my husband has another son to support at school in England. We find it very difficult, and there are many others in the same boat. We do find things expensive in Sydney, much more expensive than we expected, and I think everything is dearer than even in wartime England. I was in England for the first five months of the war, too, and know how well prices were controlled there.

Our grouse is not against Australia or the people. We are fed up with the way the evacuation was run and the very unfair discrimination.

I am sure Australian women will sympathise with us. How would they like five days' notice to pack up and be deported out of their own country, leaving behind husbands, homes, and hundreds and hundreds of women of other nationalities, who can still stay in Hongkong and come and go as they wish.

The Other Side

On the other hand, another evacuee writes to her husband in Hongkong in the following strain:

There have been quite a number of letters in one of the evening papers, from evacuees, airing their views and grievances on the evacuation. The same old story. It is a pity the particular paper bothers to publish them, but I suppose it gives the majority of the evacuees stationed in Sydney some consolation, to re-read all over again what has been hammering in their brains since they left. What good does it do anyway? Here we are, and here we have to remain until some such time arrives for us to leave. It is not very complimentary to Australia to be forever grumbling, and one of the reasons is, I imagine, they hate having to work. I imagine they all congregate at Bondi and have never got out of the rut. They have made no friends amongst the Australians and don't intend even to try.

AXIS PLOT BECOMES A FLOP

FROM PAGE ONE

was received by the Japanese Emperor.

Germany's immediate objective was to force Russia into a two-front war by producing a Japanese attack across the Manchukuo frontier. But Japan's forces had been withdrawn from the frontier not because of the non-aggression pact concluded with Russia on Hitler's suggestion when his other tactics dictated it but because Japan was afraid of a Russian air attack on Tokyo.

Spain's Position

Spain was saved from starvation only by the British relaxation of the blockade in her favour and by direct financial and economic aid. That help is now suspended pending Spain's decision.

After five weeks, therefore, of the new German offensive, combining a military attack on Russia with a subtle thrust in political warfare designed to range Japan, Spain and Turkey against Britain, the result is failure to crush Russia quickly, failure to use the political lever quickly with German invincibility, and success in galvanising half the world against Germany.

The campaign is not over but the first German plan at any rate seems to have miscarried.

INDIAN TRADE WITH IRAQ

SIMLA, July 28 (Reuter).—It is announced that the Viceroy, Lord Linlithgow, decided to depute Mr. Mohammed Inshin Jamali, Indian Commissioner of Mombassa, to visit Iran on a short exploratory trade mission.

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Wheeler Hits Back At Indian Association Of Malaya Defended

SPECIAL TO THE "TELEGRAPH"

WASHINGTON, July 28 (UP).—Senator Burton K. Wheeler, speaking from the floor of the Senate, to-day condemned the Indian Association of Malaya for its anti-war postcard mailing campaign which was part of a programme to "terrify the American people" into submitting to participation in a foreign war.

He accused Secretary of War Stimson of acting with "cold, calculated cunning" to create the impression that the postcards were circulated in army camps, adding that only three out of the million cards mailed actually reached soldiers.

He added that Mr. Hall's statement was the result of representation by interested persons who did not like the existence of the association, and he affirmed that they had never been a party to subversive or any agitation at all.

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The Hongkong Telegraph

FINAL EDITION

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NAZIS BROUGHT TO A STANDSTILL IN CENTRE OF EASTERN FRONT

ZURICH, July 28 (REUTER).—UNDOUBTEDLY THE WAR HAS BECOME STATIONARY IN THE CENTRAL SECTOR OF THE EASTERN FRONT, WHERE FIGHTING HAS BEEN HARDEST, DECLARES THE BERLIN CORRESPONDENT OF THE "BASLER NACHRICHTEN." REPORTS FROM THE FRONT, ADDS THE CORRESPONDENT, HAVE FREQUENTLY MENTIONED THAT GERMAN INFANTRY HAVE BEEN OBLIGED TO ENTRENCH THEMSELVES IN ORDER TO FACILITATE DEFENCE AGAINST RUSSIAN COUNTER-ATTACKS.

Stubborn Fighting By Reds

Latest Communiqué

MOSCOW, July 28 (REUTER).—The following is the latest Soviet communiqué:
"Our troops continue fighting in the directions of Smolensk and Zhitomir.
"The enemy offensive is breaking against the strong stubborn fighting, our troops in certain places energetically counter-attacking and inflicting heavy losses.
"There are no important battles elsewhere.
"In other directions and sectors on the front, there is nothing of importance to report. Our air force, co-operating with land troops, is operating against large enemy formations of air force and against their aerodromes.
"In all, 109 German planes were shot down on July 26. Our losses were 30.
"The Baltic coastal defence sank a torpedo boat, and two patrol boats. We lost one torpedo boat."

STILL GRIMLY DETERMINED

German Attitude Towards War

SPECIAL TO THE "TELEGRAPH"
NEW YORK, July 28 (UP).—George Kidd, "United Press" correspondent who has been in Europe during the past five years, said on his arrival in New York to-day that the German people still appear grimly determined to carry on the war.
He said the German people were confident of defeating Russia, despite the apparent delay in the original time schedule due to Russian resistance.
"Some unofficial German quarters at the beginning of the campaign said that they expected Russia to be defeated within six weeks," he stated.
Mrs Kidd, who kept house in Berlin, said that the food situation has become slightly more restricted after two years of war.

German propaganda has been forced to turn a back somersault over the German Army communiqué of July 7 reporting that the Russians had thrown into battle their last reserves and it is now alleged that the Russians have received further reinforcements from the Urals which district "was, of course, not taken into account by previous communiqués."

The "Deutsche Allgemeine Zeitung" explains the hold-up of the German offensive by saying that "a big battle is proceeding against a very strong Russian army in order to enable the German Army to continue the war movement."

KARELIAN Isthmus OFFENSIVE

New Berlin Claims

SPECIAL TO THE "TELEGRAPH"
BERLIN, July 28 (UP).—A radio speaker this morning described the Finnish troops as "fighting victoriously forward on both sides of Lake Ladoga."
This is the first indication of any offensive on the Karelian Isthmus which is reported to have been most strongly fortified from Leningrad to beyond Vipure since the Russians took it over from the Finns.
The radio also announced that German troops during the week-end had destroyed 93 Soviet tanks on one section of the front near Kiev.
The German radio reported from Helsinki that officially the Finnish air force and ground defences on Sunday night shot down 100 Soviet planes not counting those destroyed on the ground or those whose destruction in air battles has not been confirmed.

TERRORIST SHOT DEAD

Shanghai Incident

SPECIAL TO THE "TELEGRAPH"
SHANGHAI, July 29 (Domel).—One Chinese terrorist was shot dead in an unsuccessful attempt to assassinate Mr. Yutaro Hanawa, director of the Shanghai branch of the Mitsui Company and a member of the Shanghai Municipal Council, at his home at No. 114 Route Pere Robert in the French Concession this morning.
The assassins threw a number of hand-grenades into Mr. Hanawa's home but no one was injured. One of the terrorists was shot and killed on the spot by the guard of the house.

Tokyo Seeking a New Monetary Agreement

Special to the "Telegraph"

TOKYO, July 28 (UP).—It is announced that the Yokohama Specie Bank has instructed its Batavia representative to negotiate with the authorities of the Dutch East Indies for a new monetary agreement replacing the suspended one which had been in force since January.
It is said that in the event that these negotiations, which are reported to be already under way, fail to result in an agreement within two weeks, the existing agreement will be abrogated.
Meanwhile the press plays up Foreign Office reports from Batavia stating that the Java Bank has suspended its monetary agreement with the Yokohama Specie Bank, as well as a report received by the Yokohama Specie Bank saying that the Bank of the Netherlands East Indies has ordered the freezing of Japanese assets.
The "Yomiuri" carried the headline, "East Indies Too Take Anti-Japan Action," while the "Asahi" states: "As expected, the Netherlands has ordered the freezing of Japanese assets."
TURN to Back Page, Column 3

China's Assets To be Frozen

At Her Own Request

LONDON, July 28 (REUTER).—It was officially confirmed in London to-night that the Chinese Government has requested the British Government to freeze Chinese assets in Britain and the British Empire. Measures will be put into effect shortly.
The reason for the Chinese Government's desire is that the Japanese are in control of certain parts of China and consequently the assets of those territories. If the Chinese assets were to remain unfrozen, it would give the Japanese a loophole to continue trade with Britain.
A similar request was made by the Chinese Government to the Government of the United States who have already taken the necessary steps.
Residents of China
London, July 28 (REUTER).—It was officially announced that at the request of the Chinese Government and in order to assist China's financial position, the Treasury has issued directions blocking sterling balances and other assets of persons resident in China.
The directions come into operation as from the opening of business on July 29. General authority is given for any payment in a sterling area authorised on behalf of the Chinese Government as well as payments necessary for the fulfilment of certain outstanding transactions.

Finns Break With Britain

LONDON, July 28 (REUTER).—Finland has requested the severance of diplomatic relations with Great Britain. It is authoritatively stated in London.

The Finnish Foreign Minister has handed an "aide-memoire" to the British Minister in Helsinki informing him that as Finland is co-belligerent with Germany, the normal diplomatic relations between Great Britain and Finland can hardly be maintained.
In reply to Mr. Vereker's question whether this statement meant that Finland was requesting the severance of diplomatic relations, the Finnish Foreign Minister replied that this was so.

Peru-Ecuador Still Fighting

VICHY, July 28 (REUTER).—Fighting continues on the Peruvian-Ecuadorian frontier, according to an official communiqué issued at Lima to-day.
It was reported from Queto on Sunday that fighting ceased on Saturday evening following an agreement between the two parties, sponsored by the Argentine, United States and Brazil.
The communiqué, quoted in a Lima dispatch to the Vichy news agency, states that the Peruvians on Sunday "recaptured the island of Matapalo near Beca de Capones. Meanwhile negotiations for ending the hostilities are continuing."

British, U. S. Firms Reported "Occupied" By Japanese

Special to the "Telegraph"

PEIPING, July 28 (UP).—Reports from Tientsin state without confirmation that the Japanese military are "in attendance" at the Texas Company's installations and also at the British-American Tobacco Company's plant.

Nations Lining Up Against Japan

Special to the "Telegraph"

WASHINGTON, July 28 (UP).—Political circles are highly pleased over Batavia's invocation of economic reprisals against Japan. The action is particularly welcomed because it creates a solid front of resistance among the nations having vital interests in the critical south Asiatic zone where Japan has expanded.

The impression is strong here that all democratic nations with interests in this region have jointly "drawn a line" against further Japanese expansion southward and, in effect, have notified Japan to expect resistance.
TURN to Back Page, Column 3

Sanctions To Be Mildly Applied

Sharp Warning, Intention

SPECIAL TO THE "TELEGRAPH"
LONDON, July 28 (UP).—There are indications that the financial and commercial sanctions of the democracies against Japan are likely to be applied mildly—for example, the United States and the Dutch East Indies are expected to continue to license very substantial oil exports to Japan.
It is believed that President Roosevelt intended the action of the United States, the British Empire and the Netherlands East Indies primarily as a sharp warning, but he still wishes to abstain from such a drastic economic quarantine as would drive Japan into war.
One commentator remarked that the week-end's anti-Japanese roar will probably dwindle into something between a whistle and a squeak.
Meanwhile responsible Japanese circles in London suggest that Tokyo would be inclined to confine itself to retaliatory freezing of United States, the British Empire and Dutch assets and other potential trade restrictions but would operate them leniently, and would refrain from rash encroachments on the Dutch East Indies, Thailand and British possessions, and probably even the Shanghai International Settlement.

Democracies Discuss Far East Position

NEW YORK, July 28 (REUTER).—Lord Halifax, the British Ambassador, called upon the Acting Secretary of State, Mr. Sumner Welles, at Washington to-day for the purpose of discussing economic measures to be taken against Japan.

Angry Evacuees Meet In Sydney Flat

A Manly flat recently was the scene of an unofficial but fiery protest meeting of six angry women evacuees from Hongkong and a discontented husband on leave in Australia according to the Sydney "Sun".

"We've had a dirty deal with this evacuation," they told a "Sun" reporter. "We're fed up."
The husband, Mr. F. C. Brown, who is a Hongkong police department official, said: "It's been no pleasure coming down here for a holiday. I've been very surprised to find out the conditions under which Hongkong women evacuees are living and how unhappy they are. We're prisoners here," said Mrs. E. Orent, whose husband is a sub-inspector of the Hongkong police.
"Every Hongkong newspaper we get has a cartoon making fun of us," said her sister, Mrs. F. C. Brown. "I'm fed to the back teeth," said Mrs. K. M. Clarke, whose husband also is a police sub-inspector and who has had her first baby since she arrived here.
"We are desperate and heart-broken," said Mrs. H. B. Dewar. "It's been tough going," said Mrs. A. Mackle.
"We have justification for grouching," said Mrs. G. Oakenfull. "There are still 940 British women."
TURN to Back Page, Column 5

EIGHT AIRFIELDS FOR JAPAN IN SOUTH INDO-CHINA

HANOI, July 28 (REUTER).—Japanese troops began disembarking in southern Indo-China to-day, it is officially announced. The Japanese are allowed to use eight aerodromes under the agreement, including Saigon and Siemreap near Ankor on the new Thai border.
The strength of the troops is not disclosed.
The disembarkation was begun at Nhatrang, just north of Camranh Bay.
The aerodromes to be utilised, in addition to Saigon and Siemreap, are Nhatrang, Tourane in the middle of the Annam coastline, Biendhoa near Saigon, Soctrang at the mouth of the Mekong, Kompongton near the Great Lake in Cambodia and Phnompenh, the capital of Cambodia.

Vanguard On Transports
SAIGON, July 28 (REUTER).—The Japanese Military Mission in Saigon stated that as a result of an urgent radio request, 100 military lorries had arrived from Hanoi.
The vanguard of the main bodies of Japanese troops, believed to be on four transports and four destroyers, will arrive in Saigon on Wednesday.
British and American businessmen, anticipating a peaceful occupation, are remaining in Indo-China.

British, U. S. Firms Reported "Occupied" By Japanese

Special to the "Telegraph"

PEIPING, July 28 (UP).—Reports from Tientsin state without confirmation that the Japanese military are "in attendance" at the Texas Company's installations and also at the British-American Tobacco Company's plant.

Pola Negri Detained At Ellis Island

SPECIAL TO THE "TELEGRAPH"

NEW YORK, July 29 (UP).—The movie actress Pola Negri was detained at Ellis Island Immigration Station when she arrived in the United States from Lisbon, on the grounds that she had violated her visitor's permit by failure to register after five years' residence in the United States.
It is recalled that in 1930 Pola Negri won a libel suit against a Paris motion picture weekly which reported that she was friendly with Adolf Hitler who in 1935 had overruled the Propaganda Ministry's prohibition against her working in Germany on the ground that she had Jewish blood. Hitler said that she was "Polish, and therefore Aryan."

British Firms & Freezing Order

SPECIAL TO THE "TELEGRAPH"

TOKYO, July 29 (Domel).—The Finance Ministry announced the names of 43 British firms and three Hongkong concerns operating in Japan whose transactions will be controlled under the provisions of the Japanese Government's freezing order against British assets effective July 28.
Major companies listed are the Rising Sun Petroleum Company, Showa Raw Cotton Company, Dunlop Rubber Company, Mackinnon, Mackenzie and Company, Sales and Swan Company, Limited, Muller Phipps and Sellers Limited, J. Currow and Company, Limited, Toyoko Linbeck Company, Limited, Morimite Carbon Company, A. Cameron and Company, the Hill Pharmacy, Tor Hotel, Limited, Lane Crawford and Company, Butterfield and Swire, Clifford Wilkinson, and the Tansan Mineral Water Company.

Situation Improved Says Vichy Likelihood Of War Thought Less

SPECIAL TO THE "TELEGRAPH"

VICHY, July 28 (UP).—The official French press believes that the Far Eastern situation is improved and is of the opinion that the likelihood of war has lessened.

There is no official communication here regarding the German report that the French and Japanese have concluded military talks or completed a strategic plan for Indo China.
An authorised spokesman declared that military conversations are taking place in Hanoi between Admiral Decoux and General Sumita, but Vichy has not been informed of the details.

Three Hongkong Firms "Frozen" In Japan

TOKYO, July 9 (REUTER).—The Finance Ministry has announced the names of 43 British firms as well as three Hongkong concerns operating in Japan whose transactions are controlled under the provisions of the Freezing Act, effective yesterday.

These include the Rising Sun Petroleum Company, Butterfield and Swire, Dunlop Rubber Company, Mackinnon, Mackenzie, and Lane Crawford.

CLASSIFIED ADVERTISEMENTS

25 words \$2.50
for 3 days prepaid

FOR SALE.

THE HONGKONG NATURALIST.
Vol. X not 3 and 4. Price \$4
(postage extra). Now on sale at
South China Morning Post Ltd.

RING FOUND AND PAWNED

PICKED UP IN BANK
Cheung Wan-kung, 53, clerk employed by the Commercial Press, of 35 Queen's Road Central, was charged before Mr. G. T. Lowry at Central Magistracy this morning with unlawfully pawning a metal ring set with a diamond at the Tai On Pawnshop, No. 226 Johnston Road, on July 20. Det. Sgt. A. F. Cochrane prosecuted and Mr. S. Ng Chin appeared for Defendant.

It was stated that on June 23 Defendant found the ring on a floor of the Hongkong and Shanghai Bank. Defendant pawned the ring for \$200 on July 20. A Chinese detective named Chung Wai, on information, went to the pawnshop where he obtained information as to where Defendant lived. Defendant on being questioned by the detective admitted pawning the ring which he had found. He was subsequently arrested.

Not Pressing Case
Mr. Quinn stated that the prosecution was not pressing the case. There were no claimants for the ring which Defendant was willing to redeem. An application to reduce Defendant's bail of \$1,000 to \$700 so as to enable him to redeem the ring, was granted. The case was adjourned to August 2.

SINGAPORE, July 28 (Central News).—After long preparations, the Alexandra Military Hospital in Singapore is now open for the exclusive use of the services.

The Hongkong Telegraph Eleventh Annual Amateur Photographic Competition

June—September, 1941.
Two Silver Trophies Awarded by ILFORD LTD.

For the best and second-best entries.
Three Silver Trophies Awarded by EASTMAN KODAK CO.

First Prizes in each of the three Sections.

\$250 CASH PRIZES \$250

SECTION ONE
Interior scenes. Table Top and Still Life Studies.
(Excluding portraits, plants and flowers).

1st KODAK SILVER TROPHY
2nd \$40.—3rd \$30.—4th \$10

SECTION TWO
Portraiture.
1st KODAK SILVER TROPHY
2nd \$40.—3rd \$30.—4th \$10

SECTION THREE
Plants and Flowers.
1st KODAK SILVER TROPHY
2nd \$50.—3rd \$30.—4th \$10

RULES

The following Rules will govern the Competition:

- 1.—The Competition is open to all photographers.
- 2.—The entries awarded the Ilford Trophies for the best and second-best pictures in the Competition, will not be entitled to any other prizes.
- 3.—The prizes will be awarded to the competitors sending in what are adjudged to be the best photographs in each Section. Each entry must be accompanied by a form which will be published during the period of the Competition, and which must be pasted on back of entry.
- 4.—The right to publish any or all of the entries is reserved to the Hongkong Telegraph.
- 5.—All photographs entered must have been taken in the Colony of Hongkong. Photographs which have been already entered in other Competitions are ineligible.
- 6.—No responsibility will be accepted for non-delivery of loss of or damage to entries.
- 7.—All entries to be either black and white or tinted pictures, and must be mounted. Coloured photographs are ineligible.
- 8.—Pictures submitted in sepia tones should be accompanied by a smaller print in black and white.
- 9.—No picture to be entered in more than one Section.
- 10.—Mounts to be only white or cream, must be of one of the following sizes—10x12, 10x15, 10x18.
- 11.—No correspondence will be entered into in connection with the Competition.
- 12.—Members of the Staffs of the Hongkong Telegraph and the South China Morning Post are not permitted to compete.
- 13.—The decision of the Judges shall be final.
- 14.—At the conclusion of the Competition, entries will be returned to competitors on application at the Telegraph offices within seven days.
- 15.—The use of aliases is strictly forbidden.

ENTRY FORM

NAME
SECTION
ADDRESS

Please use block letters, and paste one of these forms on back of each entry.

NEW ADVERTISEMENTS.

APPEAL FOR FUNDS FOR ORTHOPAEDIC CENTRES IN FREE CHINA

At the request of Madam H. H. Kung and with the support of His Excellency the Governor and under the auspices of the British Fund for Relief of Distress in South China, an appeal is made for funds for the purpose of establishing and maintaining Orthopaedic Centres for disabled soldiers and civilians in China.

Cheques and donations may be sent to the Hon. Secretary, Mr. M. K. Lo, British Relief Fund for Distress in South China, Alexandra Building, marked Orthopaedic Appeal or to the British Relief Fund for Distress in South China, Hongkong and Shanghai Bank marked Orthopaedic Appeal.

NOTICE

DEFENCE REGULATIONS 1940

The following rates will be charged for mailing single copies of the following newspapers abroad:—
South China Morning Post
10 cents per copy
British Empire and Foreign
25 cents per copy
The Hongkong Telegraph
China and Macao
10 cents per copy
British and Foreign
20 cents per copy
25 cents Saturdays.

\$1,000 For A Bowl Of Rice

Generous Contribution To Campaign

Mr. Fook S. Ko, Hon. Treasurer of the China Defence League's "Bowl of Rice Campaign" for relief of Chinese refugees, announces the receipt of a cheque for \$1,000 as payment for a single ticket for a "Bowl of Rice" lunch in Hongkong.

The generous contributor is Mr. Wai Shiu-pak, proprietor of the Yee Tin Tong Medical and Pharmacy, Manufacturer, who wrote to Mr. Selwyn Clarke, Vice-Chairman of the Campaign: "I am much impressed by the energetic efforts on the part of the promoters in organising this campaign, and sincerely hope that this small contribution will lead to many more big donations from others."

All proceeds from the Bowl of Rice Campaign will be used for productive relief through Chinese Industrial Co-operatives. Tickets for "Bowl of Rice" lunches at the various contributing Hongkong restaurants are now on sale at many points in the city, including the Star Ferry, Hongkong Hotel, Wiseman's Cafe, Ying King Restaurant, etc. Lunches will be held on August 1, 2, and 3; and further information about the campaign is obtainable at the Bowl of Rice Town Office, 4a Des Voeux Central (Comptroller's Office, Belgian Bank).

NEW TAXES FOR U.S. PREDICTED

SPECIAL TO THE "TELEGRAPH"
WASHINGTON, July 28 (UP).—Congressman Robert L. Doughton of North Carolina, Chairman of the Ways and Means Committee of the House of Representatives, predicted to-day that next year's tax bill would probably impose a general sales tax and drastically reduce the present income tax exemptions.

Obtaining the right of way for consideration by the House tomorrow of a \$5,250,000,000 tax bill to-day that next year's tax bill would, probably impose a general sales tax and drastically reduce the present income tax exemptions.

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DE GAULLE IN BEIRUT

Freedom Of Lebanon

LONDON, July 28 (Reuters).—"It is right and practical to establish the real sovereignty and independence of Lebanon, not only for the sake of Lebanon but for the sake of France herself," declared General de Gaulle in a speech at Beirut to-day.

General de Gaulle was addressing a gathering representative of the religious, political, social and economic life of Lebanon, according to a dispatch to the Independent French Agency.

The General added: "Our presence among you means that France will co-operate with you to defend your liberties against those who threaten them. If for strategic reasons our brave Allies, the British, have come here with us, it is to help us to fulfil our age-old task as we are helping and will continue to help them in other territories."

Great Welcomed

DAMASCUS, July 28 (Reuters).—General de Gaulle arrived at Damascus to-day on his first official visit to the Syrian capital.

The population gave him a great welcome and the city was beflagged. A review of the garrison and various other ceremonies have been arranged to mark the occasion.

General de Gaulle will take the opportunity to confer with the British authorities and leading Syrian personalities regarding the setting up of a new regime and establishing the independence of the country.

An important statement is expected to-morrow in the message General de Gaulle will be addressing to the Syrians.

Unregistered Temple

WU CHAU, 36, a man, was charged before Mr. G. T. Lowry at Central Magistracy this morning with taking part in the management of an unregistered temple at No. 24 Gough Street, first floor, on July 28, and pretending to tell fortunes at the address.

Defendant denied the first charge and pleaded guilty to the second count. His pleas were accepted. Defendant was remanded for three days on bail of \$50.

PROFITEERING ON FIREWOOD

A fine of \$250 was imposed by Mr. H. C. Macnamara at Kowloon Magistrate's Court this morning on Li Kwun-lin, 47, mistress of a firewood shop at No. 104 Nam Chung Street, Shamshing, for selling firewood at a price higher than that fixed by the Government.

Sergeant T. Byrne stated that Li Kwun-lin, 40, married woman, of No. 104 Nam Chung Street, ordered 32 worth of firewood from the shop yesterday. A foki was sent to deliver the firewood to the customer and he was stopped and asked by the Sergeant as to the quantity of the firewood. It was found that Defendant sold 70 catties for \$2 whereas the fixed price was 45 catties for a dollar.

NAVAL BATTLE INDICATED

SPECIAL TO THE "TELEGRAPH"
STOCKHOLM, July 28 (UP).—Swedish press dispatches to-day reported that heavy gunfire, believed to indicate a Russo-German naval battle or a bombardment of the German positions on the Estonian coast by the Russian fleet, had been audible on the Island of Gotland since yesterday.

RICE MONOPOLY STATEMENT

It is learned that a statement concerning the operation of the Rice Monopoly will be issued by Government, in answer to questions to be asked by the Hon. Mr. J. J. Paterson at a meeting of the Legislative Council to be held on Thursday, August 7.

INDIAN TRADE WITH IRAQ

SIMLA, July 28 (Reuters).—It is announced that the Viceroy, Lord Linlithgow, decided to depute Mr. Mohammed Hashim Ismail, Indian Trade Commissioner of Bombay, to visit Iran on a short exploratory trade mission.

U. S. Shore Stations Bill Approved

WASHINGTON, July 28 (UP).—The Senate Naval Committee has approved the Bill for \$244,000,000 worth of improvements on naval shore stations, including Cavite, which has already been approved by the House of Representatives.

Defence Bill Passed

WASHINGTON, July 28 (Reuters).—The new \$6,063,000,000 defence appropriation Bill was passed by the House of Representatives to-day and sent to the Senate.

The Bill includes \$4,700,000,000 for the Army to equip and maintain a land force of 1,727,000 men plus critical items for a 3,000,000 men army.

The Navy will get \$1,500,000,000 and the Maritime Commission \$1,000,000,000 for the construction of 541 cargo boats and the acquisition of 350 others.

Roosevelt Returning To Washington
SPECIAL TO THE "TELEGRAPH"
HYDE PARK, July 28 (UP).—President Roosevelt has decided to return immediately to Washington. He will arrive on Tuesday morning. His closer supervision of United States moves to counter Japanese action in the Pacific, The President plans an immediate conference with Mr. Sumner Welles, Under-Secretary of State.

Exchange At A Glance

SELLING

T.T. London	1/2 3/4
Demond London	1/2 3/4
T.T. Shanghai	400
T.T. Singapore	52 3/4
T.T. Japan	102 3/4 n.
T.T. India	82 3/4
T.T. U.S.A.	24 3/4
T.T. Manila	48 3/4
T.T. Batavia	149 3/4
T.T. Bangkok	105 3/4 n.
T.T. Saigon	103 3/4
T.T. Switzerland	103 n.
T.T. Australia	1/0 3/4

BUYING

4 m/s L/C London	1/3 3/4
4 m/s D/P London	1/3 3/4
4 m/s L/C U.S.A.	23 3/4
4 m/s France	84 3/4
30 d/s India	4.02 3/4
U.S. Cross rate in N.Y.	

DONATIONS TO CAUSES

For Bomber Fund

Sales of cocker spaniel pupa were among sources of donations to the Bomber Fund, which reached a total of \$2,400 yesterday, with the following further subscriptions:

Mr. T. H. W. (in memory of Hongkong Art & N. Macfadyen)	\$20
Mary Edmondson (twelfth donation)	
European N.C.A. (Sale of old newspapers and tins)	7 3/4
Tommy Balle (Sale of puppies per Mr. M. T. H. W.)	5
Talan, as follows:	
Mr. Max Dietrich	\$10
Mr. T. H. W. (Sale of puppies per Mr. M. T. H. W.)	15
Mr. A. C. Offenberg	15

The following is a list of subscriptions received to date for credit of the British War Organisation Fund, Hongkong Branch:—
Previously acknowledged, \$110 and \$27,873.57. Q.A.I.M.N.S. (monthly), \$32; Rev. and Mrs. C. E. Lo, \$20 (monthly); D. C. Edmondson (monthly), \$25; D. W. Hume (monthly), \$10; Sale of Postal Labels, 40 cents; \$15; Mrs. C. Buckle (monthly), \$3.75. Total \$23,237.52.

The S. C. M. Post has received the following donation to the British War Organisation Fund:—
Anonymous, \$50.

ST. VINCENT DE PAUL.
The Society of St. Vincent de Paul acknowledged receipt of the following donations in memory of the late Mr. E. L. Rozario:—
Mr. and Mrs. A. A. Botelho, \$3; Mr. and Mrs. C. M. da Silva, \$1.

In memory of the late Mrs. A. A. Macfadyen—Mr. and Mrs. C. A. Sutton, \$10; Mr. and Mrs. H. S. Sando, \$25. In memory of the late Mrs. E. Eugenia Leira do Rozario—Mr. J. P. Braga, \$2.

LITTLE SISTERS OF THE POOR.
The Building Committee of the Little Sisters of the Poor, Kowloon City, gratefully acknowledged receipt of the following donations:—
A. P. C. Local Staff, \$3.50.

In memory of the late Mrs. M. A. Macfadyen—Mr. and Mrs. C. A. Sutton, \$10; Mr. and Mrs. H. S. Sando, \$25. In memory of the late Mrs. E. Eugenia Leira do Rozario—Mr. J. P. Braga, \$2.

SCHOOL FOR DEAF.
The Building Committee of the School for the Deaf, Kowloon City, gratefully acknowledged receipt of the following donations:—
Previously acknowledged \$13,207; Hon. Mr. W. T. Thomas Tam, \$20; Mr. and Mrs. H. S. Sando, \$25; The Rotary Club, \$25. Total \$13,607.

Further donations may be sent either to the S. C. M. Post, or to the Building Committee of the School, No. 57, Kai Yai Road, Kowloon City.

CHUNGKING REFUGEES.
The S. C. M. Post has received the following donation to the Chungking Refugees in memory of the late Mrs. F. Dora Constantine and Mr. Li Cher Chi:—
Fleiss H. Constantine (San Francisco), U.S.G. \$50.

DONATIONS WAITING.
Donations for the following Organizations await collection at the office of the S. C. M. Post: Associação Portuguesa de Socorros Mutuos; Lord Mayor's Fund; Emergency Refugee Council; S.P.C.A.; Food for the Hungry; New Bedford Relief Association; St. Vincent de Paul; Chungking Refugees; Little Sisters of the Poor; British Prisoners of War Fund; B.F.R.D.C.

Snatched Morsel From Aged Woman

For the larceny of a packet of noodles, valued at 10 cents, from an aged woman, Li Chuen, 28, unemployed, was sentenced to six weeks' hard labour by Mr. H. C. Macnamara at Kowloon Magistrate's Court this morning.

Sergeant E. G. Appleton stated that Complainant, Leung Tsui, 56-year-old widow, came out from a shop at No. 131 Shanghai Street, Yaumati, about 0.15 p.m. yesterday when Defendant came up from behind and snatched the packet. Defendant was chased and arrested by a street guard.

Gib. And Algeciras Exchange Courtesies

GIBRALTAR, July 28 (Reuters).—A very friendly atmosphere characterized the first visit to General Lord Gort of the newly appointed Governor of Algeciras, General Don Fernando Barron Yoriz.

The Guard of Honour was mounted and Naval, Military and Air Force staffs and Colonial Government officials were present.

The Governor was given a 17-gun salute upon his arrival and departure.

Lord Rennell Of Rodd

LONDON, July 28 (British Wire- less).—The death was announced to-day of Lord Rennell of Rodd who was British Ambassador in Rome during the last war.

Lord Rennell, who was 82 years old, spent some 40 years in the diplomatic service.

Europe's Cost Of Living

Expensive Clothing

VICHY, July 28 (Reuters).—The most striking rises in retail prices in European countries since the beginning of the war have occurred in clothing, according to the July Statistical Bulletin issued by the League of Nations, says a Bern dispatch.

In Germany, where the general cost of living index has only risen six per cent. between the first six months of 1939 and May, 1941, the increase in clothing costs was 17 per cent.

In the United Kingdom and Denmark there was an increase of 72 per cent. in Finland and Norway 59 per cent. and in Yugo-Slavia 103 per cent.

Air Passage Charges From H. K.

KWELIN, July 28 (International).—The C.N.A.C. and the Eurasia Aviation Corporation have obtained permission to charge a 50 per cent. increase for the fares on the Chungking-Hongkong, the Chungking-Kunming, the Chungking-Lashio, the Chungking-Rangoon and the Kunming-Rangoon routes, beginning from August 1.

The Chungking-Kwelin and the Chungking-Chengtu fares remain unchanged, and it is learned that no decision had been made regarding the fares for passengers coming to China from Hongkong or Rangoon.

EXPORTS FROM FREE CHINA

Satisfactory Increase

CHUNGKING, July 28 (Central News).—In the half-year period from January 1 to June 30 this year, 54,465 quintals of wood oil were exported from Chungking for foreign markets, making an average of 9,077.5 quintals per month. Compared with the first six months of 1940, this is an increase of over 4,000 quintals.

Export of raw silk, mostly white silk, this year more than doubled that of the corresponding period of last year—1,447.03 quintals for 1941 and 611.74 quintals for 1940.

The increase in the quantity of bristles exported was more than 20 per cent. as 5,097.56 quintals of bristles were exported between January and June this year against only 4,114.25 quintals during the first half of last year.

ITALIAN FLIER REPORTED DEAD

ZURICH, July 28 (Reuters).—General Federigi of the Italian Air Force has been killed in air combat, reports the "Neue Zuercher Zeitung."

Federigi took part in many bombing raids including those on Malta and held a silver medal for gallantry.

GERMAN DYES CONFISCATED

An application for the confiscation of 48 tins of German made dyes found on board a French vessel in port on Sunday, was made by Sergeant W. Morris before Mr. D. J. N. Anderson at Kowloon Magistrate's Court this morning. The Sergeant stated that no claimant had come forward. The application was allowed.

AXIS PLOT BECOMES A FLOP

LONDON, July 28 (Reuters).

Further light has now been shed on what was intended to be a great offensive in political warfare timed by German strategy to coincide with the military attack on Russia, writes the "Sunday Observer's" diplomatic correspondent.

The broadside military attack on Russia on June 22 was calculated at once to force Japan and Spain and then Turkey into war against the British Empire. The lever to be used in the case of Japan and Spain was the revived Communist bogey, and in the case of Turkey a new demonstration of the Axis invincibility.

Communism Lever

On July 1, therefore, Germany and Italy gave "de jure" recognition to the puppet Nanking Government. German newspapers on July 2 and Italian newspapers of the same day all elaborately explained in almost identical words that "Germany's and Italy's recognition is a consequence of the crusade against Communism."

At the same time Wang Ching-wei was received by the Japanese Emperor.

Germany's immediate objective was to force Russia into a two-front war by producing a Japanese attack across the Manchukuo frontier. But Japan's forces had been withdrawn from that frontier not because of the non-aggression pact concluded with Russia on Hitler's suggestion, but because Japan was afraid of a Russian air attack on Tokyo.

Spain's Position

Spain was saved from starvation only by the British relaxation of the blockade in her favour and by direct financial and economic aid. That help is now suspended pending Spain's decision.

After five weeks, therefore, of the new German offensive, combining a military attack on Russia with a subtle thrust in political warfare designed to range Japan, Spain and Turkey against Britain, the result is failure to crush Russia quickly, failure to use the political lever quickly, and in unwinning half the world against Germany.

The campaign is not over but the first German plan at any rate seems to have miscarried.

British Firms Frozen

SPECIAL TO THE "TELEGRAPH"
TOKYO, July 28 (UP).—Forty six British capitalised firms have been placed under the freezing regulations by the Finance Ministry.

The Finance Ministry decided to permit the remittance of coupon interest of the Japanese Government bonds and the Daiido Ujimawa Power Company's dollar bonds due August amounting to 600,000-Yen.

Remanded On Menaces Charge In \$1,000 Bail

Choi Chi-ying, 28, unemployed, was remanded for 72 hours pending further inquiries, when he appeared before Mr. H. G. Sheldon, J.C., at Central Magistracy this morning charged with demanding \$1,000 with menaces from Choi Mo-ik at No. 28 Clarence Street, third floor, on July 27.

Sub-Inspector Byron is in charge of the case.

BANKS

THE CHARTERED BANK OF INDIA, AUSTRALIA & CHINA.

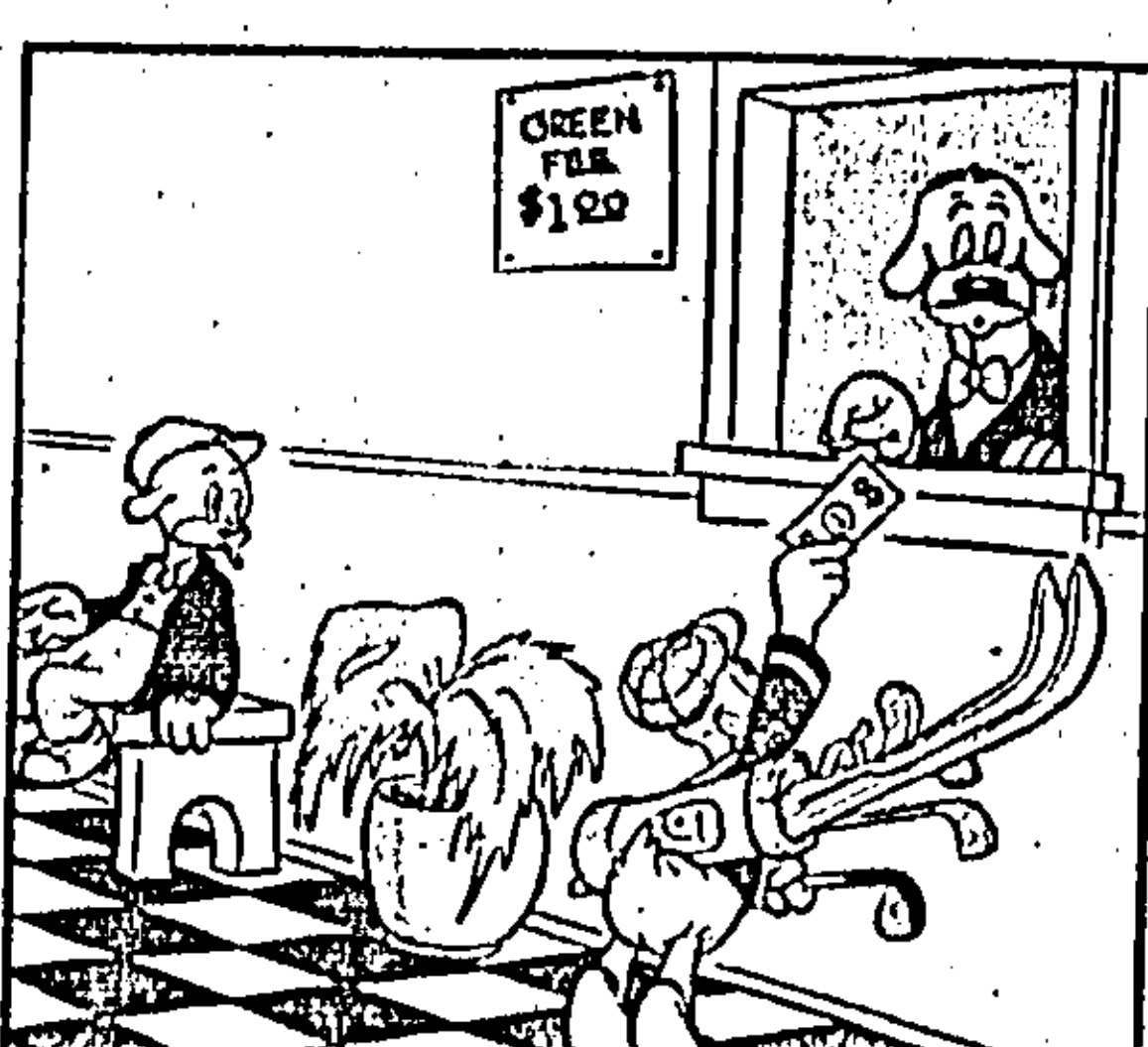
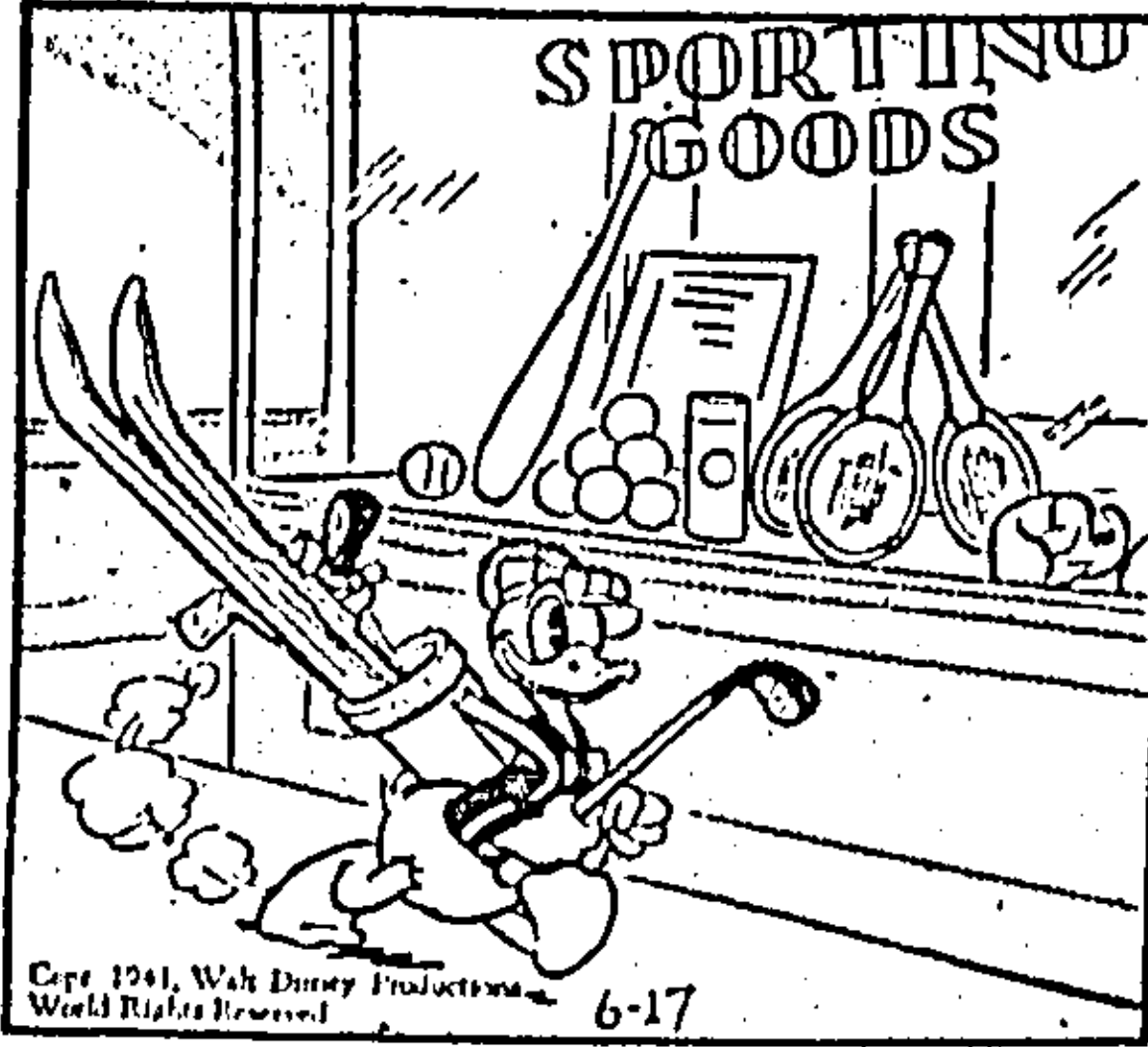
Incorporated by Royal Charter 1853.
Paid-up Capital £3,000,000
Reserve Fund £3,000,000
Reserve Liability of Proprietors £3,000,000

HEAD OFFICE—LONDON.

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Sub-Agencies in London.

DONALD DUCK



By Walt Disney

CONTRACT BRIDGE

How to Play AND How to Win

By JOSEPHINE GULBERSON

A Silly Play

LOCKING the stable after the horse is gone is not any more logical at the bridge table than in other fields of activity. Unfortunately, West in the following deal didn't know how to apply an old adage to a new (to him) situation.

North dealer.
Rubber bridge.
Neither side vulnerable.

Q 8 4 3
A J 10 8 2
A Q 7
N E
S W
A 6 6 3
A 6 6 3
K J 10 9 7 2
K 4
Q 9 8 6
K 4

The bidding:
North East South West
1 0 1 0
4 5 0 0
Pass Pass
Pass Pass

The bidding requires little comment. East, with six clubs and five hearts, might well have overcalled originally in the longer suit, preparatory to bidding the hearts later, but in view of the great disparity in top strength, his action cannot be criticized. After West jumped all the way to four hearts (in a desperate but futile attempt to shut out the opponents) there was of course no need for East to mention his clubs. He rebid hearts to drive the opponents to the five level, but then subsided, feeling that he would have an excellent chance to defeat a five spade contract.

What East really hoped for, of course, was a diamond opening, which he would be able to ruff. West, however, could not quite visualize that situation. He did conclude that there was no great future in the heart lead, since his extreme length in the suit made it unlikely

that even one defensive heart trick would be available. He compromised by leading the club jack. This lead seemed highly favourable to the declarer, who won with the king and immediately played two more rounds of clubs in order to get rid of his singleton heart. West countered this by ruffing with his worthless trump, but unfortunately for his side, his next action conceded the contract. Probably with the determined but chaotic thought that he would not let declarer get rid of another heart, West banged down the heart jack. Declarer ruffed, knocked out the spade ace, and took the balance of the tricks with the greatest of ease.

West's lead of the heart after declarer had discarded a heart was an illustration of pure absurdity. With the singleton heart staring him in the face in dummy, it was reasonable to suppose that declarer would not have risked three club plays in order to get rid of one heart if he had held more than one! Thus, declarer's plays showed precisely two clubs and one heart. What was more likely than that he held four diamonds, which meant that East would be void in diamonds? It goes without saying that West should have shifted to a diamond in the certain knowledge that the shift could not cost a trick but that it might gain the vital trick.

To-morrow's Hand
North-South vulnerable.

A 9
A K 10 8 5
A K 8 4
N E
S W
A 10 8 6 3 2
A 4 3
Q 9 5
K 6 5

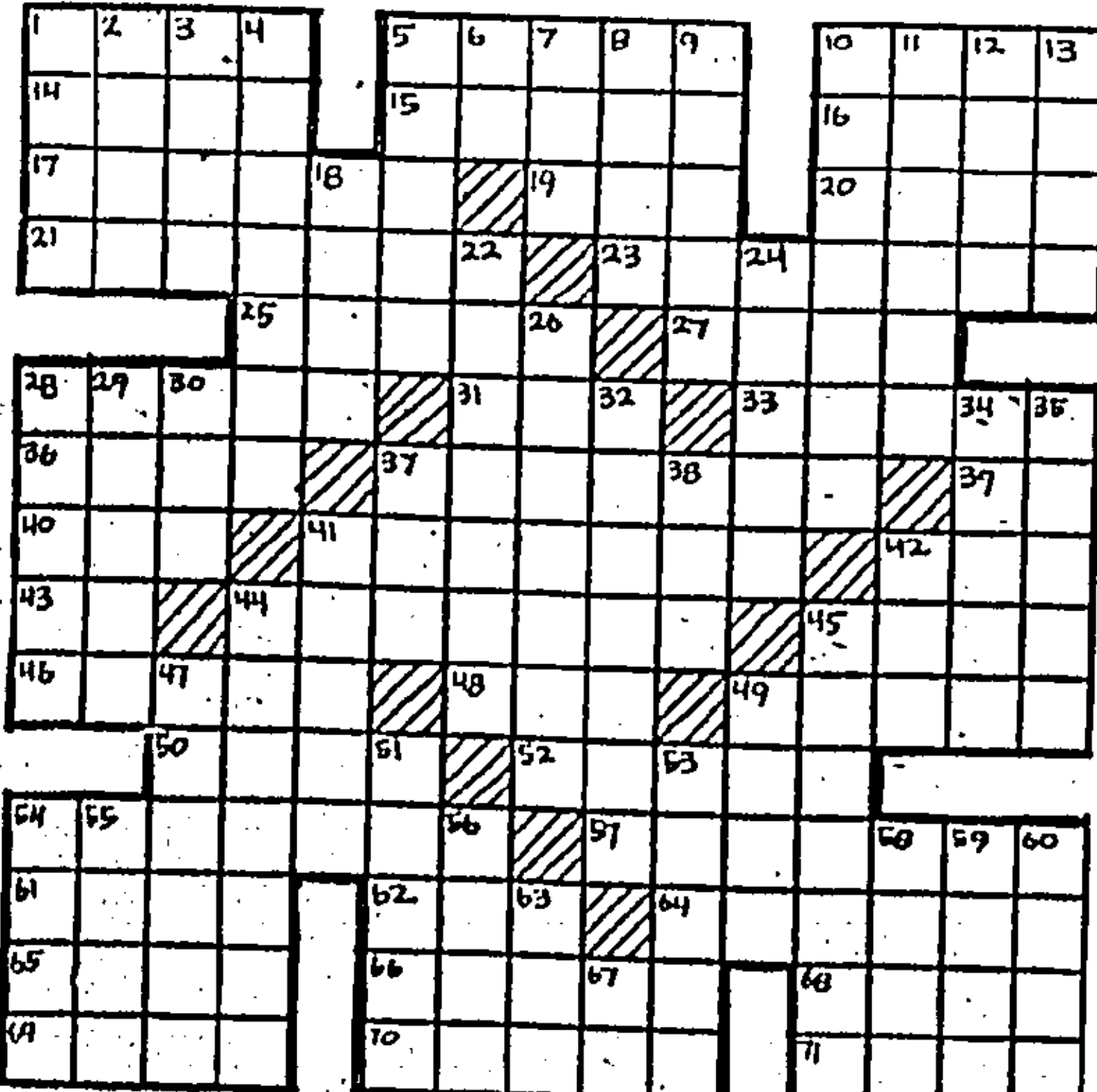
How should this hand be bid?

Crossword Puzzle

By LARS MORRIS

ACROSS
1—Elected
2—Hebrew month
3—Hebrew month
4—Hebrew month
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6—Hebrew month
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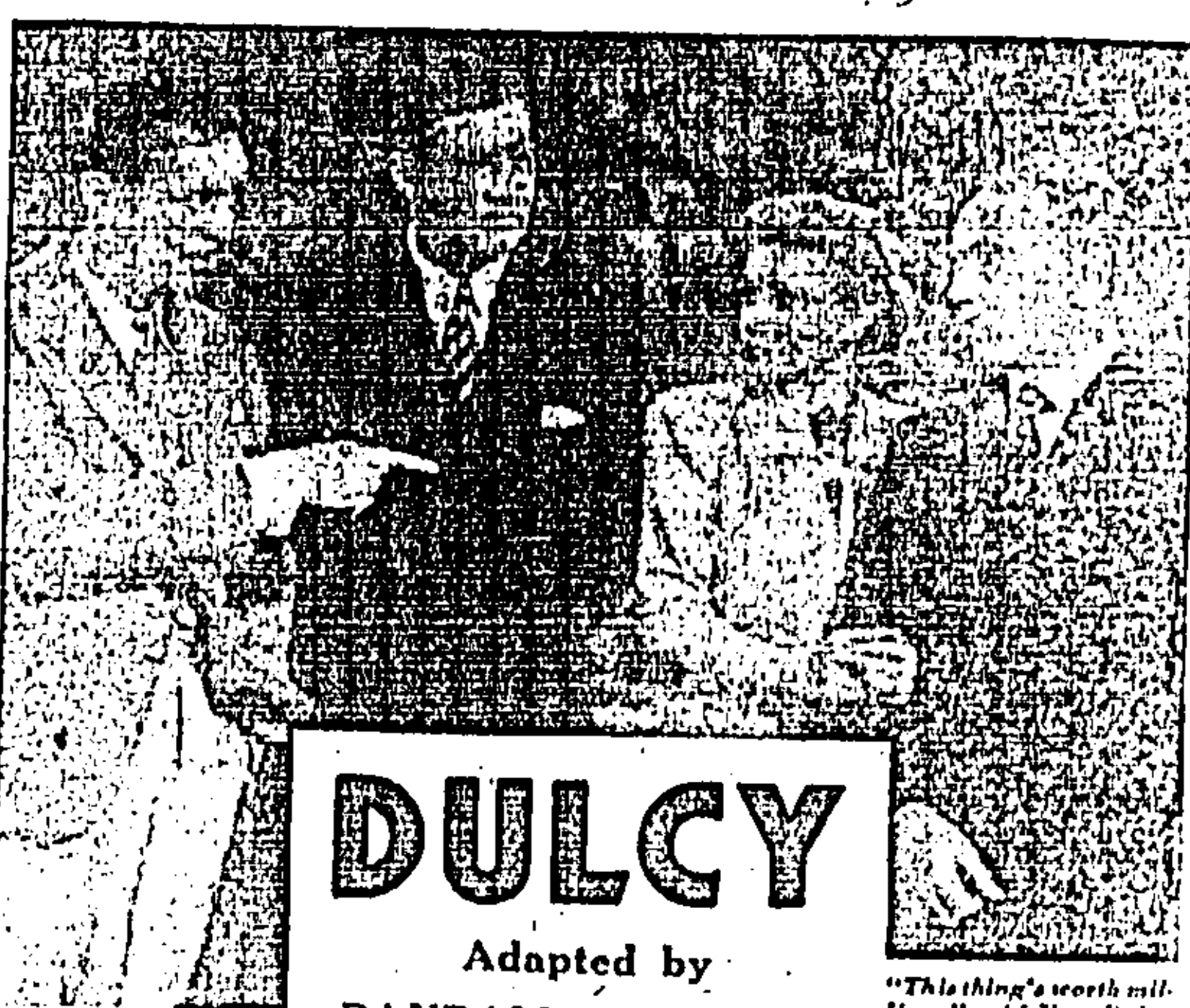
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Japanese Arrest Mill Head

CHUNGKING, July 28 (Central News)—Mr. Wu Tseng-yu, aged 60, Manager of the Sang Shing Cotton No. 9 in Shanghai, and his son Wu Tseng-chung, a department chief of the plantation for his arrest was given.

some mill, were arrested by a party of Japanese gendarmes and French Municipal Police at 1.45 a.m. to-day when the Japanese raided the Wu house on Rue Pershing in the French Concession.



DULCY

Adapted by RANDALL M. WHITE

From the stage success by GEORGE S. KAUFMAN

and MARC CONNELLY

SYNOPSIS:

Running true to form Dulcy Ward (Ann Southern) has messed things up at the house party she arranged to sell Gordon Daly's (Tom Hunter) aeroplane motor to C. Roger Forbes (Roland Young) and also win Mr. Forbes' consent to a marriage between his daughter Angela (Lynn Carver) and her brother Bill (Dan Dailey, Jr.). An accidental guest who represented himself as Schuyler Van Dyke (Reginald Gardiner)—but is really the deranged brother of Homer Patterson, a Van Dyke associate—has bought an option on the motor with a worthless cheque. Forbes, enraged at mishaps of which he has been the victim, is about to take his family home. He's a bit worried about the motor deal.

CHAPTER SIX

"ROGER, there are times when I suspect that you're out of your mind. And there are other times—like now—when I'm sure of it!" Mrs. Forbes was making the most of a wonderful opportunity. "Why did you let Mr. Van Dyke steal that motor from right under your nose?" She'd heard Van Dyke make his dire prediction of ruin for the entire Forbes family—and she may have been thinking, too, of the night before when her husband had had some biting things to say to her.

In the living room the grandiloquent purchaser of Gordon Daly's brain child had just left him and Dulcy, with another of his strange remarks.

Dulcy was clasped in Gordon's arms when Homer Patterson entered the room.

"Er—please forgive me," he said. "I'm Homer Patterson. I'm looking for Miss Ward."

"That's me," said Dulcy.

"Oh, I see. Tell me, Miss Ward, do you have a guest by the name of Schuyler Van Dyke?" the newcomer asked.

"Yes," Dulcy answered. "Thank heavens!" Patterson said with a sigh of relief. "Permit me to explain. My story may be a bit startling. The man you know as Schuyler Van Dyke is my brother, Horace Patterson. Unfortunately, he suffers from delusions of grandeur—thinks he's a millionaire—goes around forming big companies. Of course he's perfectly harmless. I'm glad I arrived before he got himself involved."

Dulcy and Gordon stared hopelessly at each other. They had tumbled out of the clouds!

Skilful wheedling on Homer Patterson's part won his brother's promise to leave the Ward lodge quietly and return at once to New York. He was reluctant to go, he said, because of the big deal he had pending.

It was just a few minutes after Forbes had tried to redeem his business judgment in the eyes of his critical wife and had been told

transfer of option he had written for Van Dyke to sign.

Patterson shrugged his shoulders. "Let me see that cheque," he said, turning to his brother. "It duly and legally transferred ten thousand dollars from C. Roger Forbes to Schuyler Van Dyke."

"You're perfectly satisfied with your deal, Forbes?" This motor is a good thing?" he said.

"I'm perfectly satisfied—and I guess you know how good a thing this motor is," Forbes answered triumphantly.

"Well, Schuyler," said Patterson addressing his brother. "This cheque will pay for your plane. Come along."

THE aircraft manufacturer had a little more crowing to do. "My dear Miss Ward," he said when he met Dulcy and Gordon a few minutes later. "I just want you to know that all your trickery has been of no avail. I've just bought Mr. Van Dyke's option on Mr. Daly's motor. You ought to know better than to match wits with a man who has been in business all his life. How in the world did you expect me to swallow the story that Mr. Van Dyke was insane? I happen to know Homer Patterson and I know he doesn't go round chasing lunatics."

Once more both Dulcy and Gordon stood aghast. Dulcy was the first to speak.

"But Mr. Van Dyke must have been crazy," she said. "If you paid Gordon ten thousand dollars and besides gave him a twenty-one percent royalty."

"Twenty-one percent! That's impossible!" exclaimed Forbes wide-eyed.

"Oh, no, it isn't! I remember—because twenty-one is my lucky number," Dulcy replied with a sincerity that made Gordon marvel.

"That's all right, Mr. Forbes," he interjected. "You don't have to."

"Oh, no you don't. You can't squeeze me out now!" Forbes said. "If Van Dyke's crazy—then I'm crazy too. I'll pay the twenty-one percent."

Gordon continued to look like a man in a trance as Forbes left him and Dulcy on a garden seat near the dock.

He saw Henry come up from the lake leading Snazzy by the hand. "Don't tell anybody we've been rowing 'round in circles—they'll think we're nuts," he heard Henry say. "But I guess we did all right by keeping out of the way." This mysterious speech didn't help to clear his mind.

Finally, the light seemed to break. He took Dulcy's hand. "I see it all now, darling," he said. "After everything else failed you told Forbes Van Dyke was crazy so that when he saw Patterson here he'd think over on him—which is exactly what happened. That was a great bit of thinking, dear."

"But, Gordon, I didn't!" was Dulcy's completely befuddled answer.

"No need to side step to make way for me," Gordon laughed. "You put the whole deal over—and nobody else."

"I don't know what you're talking about—I don't know what anybody's talking about," Little Miss Fix-it cried in impotent denial.

BROTHER BILL was with the Forbes family when they came down from the lodge to their waiting boat.

"Goodbye, Angela!" Dulcy called, "... and Bill, are you going too?"

"Yeah—I'm in the family again," Bill answered. "I don't know what you said or did—I don't even want to know. All I'm sure of is—it must have been unconscious."

As the guests and Bill slid out on the quiet waters of the lake, Gordon's look Dulcy in his arms.

"Listen, darling," he said tenderly. "From now on, I wish you'd let me in on your plans."

"Oh, Gordon," she answered as she clung close to reveal in the protection of his strength. "From now on I have no more plans. I'll never interfere in anything again as long as I live."

"Fine, darling, that's perfect," said Gordon—but he wondered at the sparkle he saw growing in his bride-to-be's eyes as she looked out after the departing launch.

"Oh, Gordon! I've just thought of the most marvellous idea," she exclaimed. "You know, Eleanor Forbes isn't really very happy with Mr. Forbes—and I thought that next week-end..."

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Local and Free China Advantages Perceived

The freezing of Japanese assets in Hongkong will have a favourable effect on Chinese trade in the Colony, according to Chinese commercial circles, says "Central News."

It is generally believed that Chinese goods will be marketed here in larger quantities than before in substitution for Japanese products, the import of which is expected to be reduced to a minimum in the future. With the exception of a few small plants, most Chinese factories here are not affected by the freezing order as their raw materials are obtained largely from America and the British Empire. They are looking forward to increasing their production in order to meet the growing demand here expected in the event of Japanese goods disappearing from the local market.

Chungking Reaction

CHUNGKING, July 28 (Central News).—A high official of the Ministry of Finance declared to-day that the measure will be of great benefit to the Government to control foreign exchange operations.

The official said that since the war of resistance started, the Chinese Government has not been able to establish effective control over foreign exchange transactions and consequently by illegal advantage has been taken by speculators and others who converted their capital into foreign currencies. In order to check such activities, the Government has repeatedly approached the Governments of the friendly Powers for assistance.

General MacArthur Nominated

SPECIAL TO THE "TELEGRAPH"—WASHINGTON, July 28 (UP).—The nomination of General Douglas MacArthur to be head of the United States and Philippine armed forces in the Far East was sent to the Senate to-day by President Roosevelt.

Appointment Confirmed

WASHINGTON, July 28 (UP).—The Senate to-day unanimously confirmed the appointment of General Douglas MacArthur as Commander of the United States and Philippine forces in the Far East.

Exchange Control

Now, the official added, at the request of the Chinese Government,

WRIGHT'S Coal Tar Soap

For adequate protection against all Oriental skin diseases.

WRIGHT'S TALCUM POWDER
Antiseptic and specially purified.

WRIGHT'S COAL TAR OINTMENT
Ideal for all skin blemishes.

WRIGHT'S COAL TAR SHAVING SOAP
Antiseptic and soothing.

Agents: GILMAN & Co., Ltd.

Book The Date

BRITISH PRISONERS OF WAR FUND

OPEN AIR CONCERT

by the

Massed Bands

of the

2nd. Battn. The Royal Scots

and

1st. Battn. The Middlesex Regiment

on the Hongkong Cricket Club Ground

9.30 p.m. SATURDAY, 23rd. AUGUST, 1941.

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VERY COOL FOR THESE HOT DAYS
LACE PANTIE WITH SATIN FRONTS
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MADELON LOUDEN
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Nue-De, a built up
model in satin & lace
in peach only

Price: \$5.50

Other models in broad-
cloth & lace

Price: \$5.25
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A NEW KIND
OF MUSIC
YOUR
OWN
PIANO



WITH THE NEW **solovox**

Think of it! You play the melody with
your right hand on the Solovox... as you
play piano with your left hand.

Thus, you add beautiful, sustained
tones of the Solovox—effects of cello,
violin, trumpet, saxophone—to your
piano accompaniment!

Easy to play? Yes—even a child can
use the Solovox. It's easily attached to
any piano. It does not interfere with the
normal use or with the tone of the piano.

Hear—and try—the Solovox, the
newest achievement by the makers of
the famous Hammond Organ and the
Hammond Novachord.

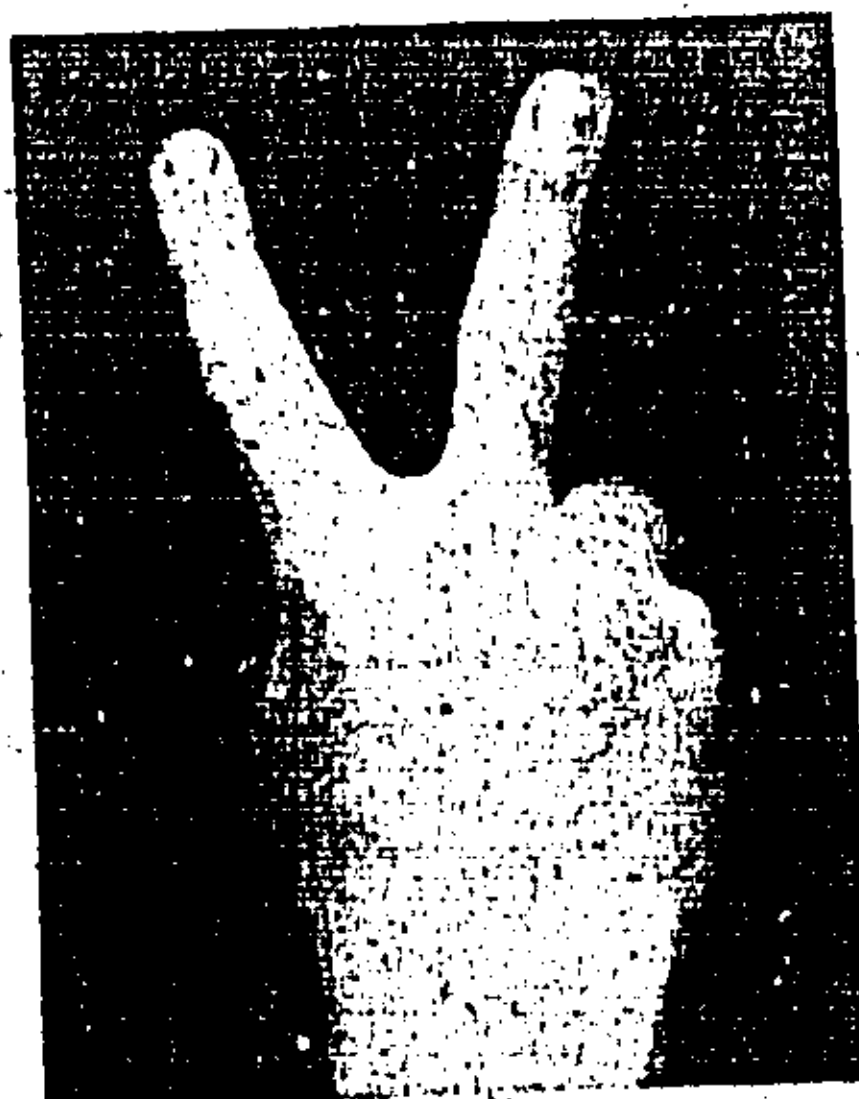
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ARE THE HORSE
AND CARRIAGE**

And Gone with them are the old-fashioned methods of waxing the carriage.
Have you been using the same auto wax for years... simply through force of habit? Don't use a horse and carriage auto wax.
It is no longer necessary to work all day, to wear yourself out, to RUB and RUB in order to obtain a waterproof, weather-resisting wax finish for your car. Try **WILIZ LONDON COACH WAX** for longer lasting beauty for your automobile and less work for you. Your waxing troubles, like the horse and buggy, will be

Gone



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**HONGKONG
HOTEL
GARAGE**
Stubbs Rd.

**The
Hongkong Telegraph.**

Tuesday, July 29, 1941.

Wyndham St., Hongkong

Telephone: 26615

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WHAT "FREEZING" MEANS

IT is still too early to determine precisely the effects that the parallel action of the United States and the British Empire in freezing Japanese credits will have on Japan. But a very good idea can be gathered by quoting some figures.

In 1938, for example, 34.4 per cent. of Japanese imports came from the United States and 20.2 per cent. from the British Empire—a total of 54.6 per cent. On the other hand, only 15.8 per cent. of the Japanese export trade went to the United States and 19.9 per cent. to the Empire—a total of 35.7 per cent. These figures assume considerable importance when it is appreciated that the freezing of credits means (special licensing arrangements apart) that the Japanese are unable to continue imports from the United States and the Empire except to the extent they can acquire currency balances "by exporting to them. As Japan has seen fit to adopt "freezing" reprisals, this factor is automatically eliminated.

The 1938 figures are by no means a true guide to the current situation, inasmuch as that exports from the Empire have been greatly reduced by wartime measures. For approximately the last few months there has been a pouring to Japan of iron and steel scrap, nickel, platinum, cobalt, copper, aluminium, graphite, zinc, industrial diamonds, asbestos, mica, crossbred wool, copra, cotton, wolfram, rubber (except from Japanese plantations in North Borneo); from India iron-ore, chrome, bauxite; from Canada, zinc concentrates, lead, bauxite, and from New Zealand, wool. Additionally there has been a big cutting down in the export of pig iron, manganese and jute from India, lead from Burma, non-crossbred wool from Australia and South Africa. The biggest single Japanese exports are the silk which goes almost exclusively to the United States, the profits on which are essential for subsidising rice-growing, while next in export importance are cotton goods to the British Empire.

It is true that Japan has at her command through the annexation of Manchuria and parts of northern China additional supplies of raw materials and minerals necessary for trade or for the maintenance of her



Professor Huxley

THE problem of God has this—in doing away with all been troubling a great idea of personality of God, many people for a number of and also all idea of God being years, and now the war has a power behind and in rendered it acute.

In the most general terms, how can an allwise and all-powerful Divinity tolerate war and cruelty and suffering on such a large scale?

The time is ripe for a real revolution in theological outlook; the idea of God will cease to have any real significance except to a small minority, and the religious impulse will be checked by theological difficulties.

★

THE reason we have reached this position is clear. It is, on the one hand, through our increase of knowledge and understanding, mostly but by no means entirely scientific knowledge, and our increase of control over nature on the other.

The ordinary intelligent man who knows anything about science can no longer believe in miracles, or the Bible story of creation, or the idea of a personal God making the forces of nature do what He happens to want. The facts of religious conversion, inspiration, and the like no longer seem to demand the personal intervention of Deity, but can be understood rationally through our new knowledge about human psychology.

Primitive peoples personified facts of nature—the sun, the sea, love, wisdom. Later religions put the divine personalities behind the facts, not in them—Neptune behind the sea, Venus behind love. Still later all the different divine personalities were reduced to one—a single omnipotent God in control of all the forces of nature, including human nature. (That is an over-simplification, but is essentially true). And in the last few decades Divine Power has been receding further into the background, His control getting more and more indirect. His immediate contact with events more problematical, until God in the usual theological sense has faded into little more than a thin-spun metaphysical embroidery on the facts, rather as the Cheshire Cat in Alice in Wonderland faded into a mere smile.

★

I BELIEVE that the overdue revolution in theology consists simply in

war machine, but in this respect she has only started to scratch at the surface and products from these areas cannot hope to replace the vast imports from the democracies which are now denied her. How rapidly the effects of these economic sanctions are likely to be felt is difficult to estimate, but their very imposition is a grave threat to the future of Japan, and a more salutary result than a thousand official protestations from Washington and Whitehall.

GOD AND THE WAR

Science And Religion

BY JULIAN HUXLEY

Famous Biologist and author of many brilliant contributions in the field of modern scientific reasoning. He is Secretary to the Zoological Society of London.

us that there is something universal in the world which transcends all particularity, of time or space or human variety.

Since it incorporates our aspirations, it is an urge to a better life. Since it reminds us of the existence of general ideals and of particular efforts to realize them, it is a support and comfort and a very present help in trouble. Since ideals can only be set up on the basis of generalising from particulars, the idea of God must include our individual aspirations, our concrete acts of love and understanding, our separate attempts at righteousness. Thus God is what the theologians call immanent as well as transcendent: the Kingdom of God in its most essential aspect is within us, and there is a real sense in which we, as individuals, can be united with God.

★

THE Third Person represents something equally given and equally inexplicable, but internal—man's abstract ideas of truth and righteousness, those categorical imperatives of the spirit which well up to impose a moral law, those feelings of inspiration or communion which arise when untapped elements of mind suddenly make contact with the organised self or ego. And the Second Person, the mediator between the others, represents human life as incarnating spirit in matter.

The three are distinct, but are all aspects of one reality. For, according to modern science, there is but a single world-stuff. Lifeless matter is world-stuff at a comparatively low level of organisation. Life developed when some of the world-stuff of this planet reached a new and higher level of organisation. And man's mind has evolved from the simpler mental qualities of animals. There is no break in continuity between us, with our highest emotions and ideals through the polyp and the amoeba, down to inanimate world-stuff.

★

ONCE the personality is taken out of God, most of our theological troubles disappear. God is no longer all-wise, all-powerful, all-loving. It (for we cannot now say He) is no longer unchanging or eternal. God, like science, say, or art, becomes a product of evolving humanity and must evolve with it. It is a reminder that we live in a world of external and alien fact, capable of giving us cruel knocks and resisting our wishes. It is a reminder that the framework of our life is bigger and more extensive than our individual selves, or than our separate nations or communities. It is the result of collective experience, and represents a collective doctrine of Trinity in Unity. However, if you accept the previous argument this is a pool of wisdom and comfort in very profound interpretation of the First Person of the Trinity. The First Person of the Trinity then represents man's our abstract ideals of righteousness, experience of the power of ness, truth, and so on, it reminds

Christian theology is often accused of being incomprehensible because of its central doctrine of Trinity in Unity. However, if you accept the previous argument this is a pool of wisdom and comfort in very profound interpretation of the First Person of the Trinity. The First Person of the Trinity then represents man's our abstract ideals of righteousness, experience of the power of ness, truth, and so on, it reminds

GRIN AND BEAR IT By Lichty



"I hate Ladies' Day—women can always think of nastier insults to scream than men!"

RADIO

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Broadcast by ZBW on a Frequency of 845 k.c. and on Short Wave from 1-2.15 and 6.30-11.15 p.m. on 9.52 m.c. per second.

6.00 Indian Programme.

6.45 Closing Local Stock Quotations.

6.47 Half An Hour Of Dance Music.

7.17 Sea Shanties.

7.30 Portuguese Programme.

8.00 London—The News.

8.15 London—The Commentary.

8.25 London—"Listening Post".

8.45 Examination of Points in Daily German Propaganda.

8.50 Programme Summary.

8.52 Compositions of Lehar.

Count Of Luxembourg Waltz....

Mark Weber and His Orchestra.

"The Blue Mazurka"—Yoni Gens.

Intro: The Blue Mazurka; When She Is Yours At Last; Love's The Richest Prize; I'm A Shy Young Chap; Shine, Bright Moon.... Light Opera Company with Orchestra; "Gipsy Love"

Selection.... De Groot and His Orchestra; The Merry Widow.... Love You So.... Richard Crooks (Tenor) with Orchestra; "Frasquita"

Serenade.... Emil Roosz and his Orchestra; "The Land of Smiles".... You Are My Heart's Delight.... Albert Sandler and his Orchestra.

9.00 Local Time Signal and Announcements.

9.02 Variety Programme.

9.45-10.00 News in French (On Short Wave Only).

9.45 Italy Starla (Xylophone) and His Band.

Rio De Janeiro (de Gredos); Stand Up And Smile—Selection (Furber, Ellis and Charlig); Joey The Clown (Mayers).

10.00 London—The News and News Commentary.

10.15 An Hour With Beethoven.

With a Coloured Ribbon.... Elizabeth Schumann (Soprano) with George Reeves (Piano); "Les Adieux"

Sonata In E Flat Major, Op. 81a.... Arthur Schnabel (Piano); In Questa Tomba Oscura.... Theodore Challa-

pino (Bass) with Orchestra; Trio No. 7 in B Flat Major, Op. 97—"The Archduke".... Coriot, Thibaud and Canals (Inst. Trio).

11.15 Close Down.

COLLISION IN HARBOUR

The mistress of a sampan reported to the Water Police yesterday that while entering the south opening of the Yaumatei typhoon shelter at 5 p.m. yesterday, the sampan collided with the steam launch Carlsby and was overturned, the three occupants being thrown into the water. All were rescued.

Blocking Japanese Credits In India

BOMBAY, July 29 (Reuter).—Two Japanese vessels due here on Sunday have not yet arrived. Their agents in Bombay have no advice on the cause of the delay though they scout the report that the vessels have not touched port owing to the apprehension that they may be held in Bombay on account of the freezing of Japanese assets.

An official of the O.S.K. Line stated that their liner, Melbourne Maru, might be delayed by rough seas. He did not believe that the freezing of assets affected the position of Japanese ships in India ports.

Cargo, mainly raw cotton, is being booked for shipment to Japan by the Melbourne Maru and the Havana Maru, which is the only Japanese ship now in port here.

In this connection, it is pointed out that the only action by the Government of India was through the Reserve Bank and was intended to block Japanese assets in this country.

Previous Obligations

The Reserve Bank has instructed all bank accounts of Japanese nationals and firms to be blocked, but has provided for honouring obligations incurred on or before July 26.

Except that it will act as an indirect impediment on Japan making large purchases in future from this country, prevent remittances to Japan and bar Japanese from drawing unreservedly on their bank accounts, it is urged that the order has no further implications.

It will not restrict the movement of Japanese ships in Indian harbours, nor hamper Japan shipping large quantities of cotton which she has already purchased.

It is estimated roughly that the commitments account of Japan in cotton totals over 250,000 bales.

Fuel On A Junk

No Export Permit

Mak So, 64, trading junk master, was charged before Mr. A. N. Macfadyen at Central Magistrate's court this morning with breach of the Defence Regulations by having on board his junk at Aberdeen, on July 29, 400 gallons of benzene and 620 gallons of kerosene with a view to exporting them to Hoi Yin, Kwong Hoi district, without a permit from the Controller of Trade.

Sgt. G. C. Taylor prosecuted and Mr. S. Ng Quin appeared for Defendant.

Mr. Quin said that the junk was fitted with three engines, and the kerosene, etc., were for the use of the engines and not for export.

A fine of \$5 was imposed on Defendant.

TROUBLE OVER EXPORT OF PEWTER

A fine of \$500 was imposed on Cheong Man, 35, tallyman, employed by the Nam Pak Tai firm, of No. 105 Wing Lok Street by Mr. G. T. Lowry at Central Magistrate's court this morning for a breach of the Defence Regulations and giving false information to the Controller of Trade. Defendant was on bail of \$1,000.

The charges against Defendant were: (1) that on or about May 30 he exported to Shanghai two cases of pewter diningware under an export licence for tin, and (2) that on May 27 he furnished information to the Controller of Trade that the Nam Pak Tai firm, of No. 202 Wanchai Road, were the exporters of the goods whereas in fact he was the actual exporter.

Det.-Inspector J. O'Donovan, assisted by Det.-Sgt. A. F. Cochrane, prosecuted and Mr. F. Zimmerman appeared for Defendant.

Common Assault

An incident in Canton Road on Saturday had a sequel before Mr. H. C. Macnamara at Kowloon Magistrate's court this morning when Joseph Gonzales, 17, unemployed, of Singapore, was charged with common assault.

Complainant, Chan Lam-pui, 22, is still in hospital and Defendant was remanded for a week.

PRESSURE RELAXES

Lull Descends On Soviet War Fronts

SPECIAL TO THE "TELEGRAPH"

MOSCOW, July 28 (UP).

Today's communiqué indicated that pressure has been relaxed in the Nevel, Smolensk and Zhitomir areas where the fighting is continuing but apparently without the usual ferocity.

For the past two days the Soviet communiques have dropped their adjectives, "intense," "fierce" and "stubborn," and merely reported "fighting."

A lull has descended on other fronts where there was nothing of consequence to report.

The Red air fleet resumed bombing Constantinople and continued to hammer enemy columns and air-ports.

The Muscovites enjoyed a quiet night when the Luftwaffe failed to appear after five successive night raids.

Communiques Analysed

NEW YORK, July 28 (UP).—The German High Command has reported that a great victory looms in the Smolensk sector, but Moscow reports indicate that the fighting around Smolensk and elsewhere has taken a favourable turn for the Soviet Union.

The German and Soviet communiques present the customary contrast, as the battle along the 1,800-mile front enters its 37th day.

The Nazi High Command said that all attempts by the Soviet forces to break out of the encirclement around Smolensk have ended in disaster and that the battle will soon be over there.

The official German news agency presented detailed reports of the mopping up of Soviet forces around Smolensk and claimed the capture of 35,000 prisoners, and of 750 machine guns around Mogilev.

The Soviet, it said, the Russians made "senseless" attempts to break out of the Nazi encirclement, line and suffered heavy losses.

Another D. N. B. report claimed that a Nazi division from Bessarabia had broken through a section of the Stalin line on the southern front capturing 21 Soviet tanks in the course of the operation.

The reports did not indicate the exact location of the breakthrough, and it is recalled in this connection that about three weeks ago the German High Command claimed that the Stalin line had been broken at all decisive points.

A Moscow dispatch from the front reported a 13-day battle in an unidentified sector of the Finnish front as having ended with the annihilation of one half a German infantry division and the routing of the other half.

Para Troops In Moscow?

SPECIAL TO THE "TELEGRAPH"

NEW YORK, July 28 (Domei).

According to a Berlin Radio broadcast intercepted here, German parachute troops were understood to have suddenly landed and occupied the Moscow airport.

The report, however, cannot be confirmed here.

LOOKED TOO LONG

While looking at himself in a mirror a 40-year-old foreman, Yau Kam, of the Continental Rubber Factory, (Humphreys), received injuries to his head yesterday when the mirror suddenly dropped on his head. He was taken to Kowloon Hospital.

Subterranean Fortification Of Gibraltar

(BY "REUTERS" SPECIAL CORRESPONDENT)

GIBRALTAR, July 28.—Improvements of the fortifications here have been considerably hastened during recent weeks and the training of personnel is proceeding with great energy as new war materials arrived, including a number of new devices.

Troops participating in the exercises are about twice daily while Bren gun-carriers clatter through the streets day and night.

The Port's air arm roars over the rock at all hours, keeping itself in full fighting trim.

Network of Tunnels

The task of completing the amazing network of tunnels continues night and day unceasingly, the troops thus engaged coming from all parts of Britain and Canada. They operate in eight-hour shifts, 24 hours daily, including Sunday.

Though uncompleted, the Rock now contains three-storied barracks capable of housing thousands of men. There is a fully-equipped hospital, an electric power generating system and cook-houses. Vast quantities of oil, water, food, tobacco and even bottled sweets have been stored in subterranean tanks.

Working in dusty tunnels has not injured the men's health which is carefully guarded. In some cases, the men have actually put on weight.

MacArthur Takes Over

P. I. Military Talks

MANILA, July 28 (Reuter).—General Douglas MacArthur, who has been appointed Commander-in-Chief of the United States Army in the Far East, conferred with staff officers and President Quezon today.

President Quezon has handed over his presidential yacht to the United States Navy for use as a minefield patrol ship.

Consul's Statement

MANILA, July 28 (Reuter).—The Japanese Consul in Manila stated to the press today that Japan wants peace unless she is provoked beyond human endurance.

The Japanese will not fight. There is no sense in fighting because the winner will lose in the end.

Quezon's Approval

MANILA, July 28 (Reuter).—President Quezon has telegraphed Colonel Henry Stimson, Secretary for War, voicing gratification at the appointment of General Douglas MacArthur and repeating his pledge of loyalty to and co-operation with the United States.

A significant note is that the Socialist communities of Pampanga, known as the Philippine "Red Belt," have issued a joint statement pledging loyalty to the United States and their readiness to fight under the leadership of General MacArthur against all foes of democracy.

Senate Confirmation

WASHINGTON, July 28 (Reuter).—The United States Senate today confirmed without dissent President Roosevelt's nomination of General Douglas MacArthur as Lieutenant-General—Commanding the United States Army in the Far East.

Trans-Jordan Reorganises

AMMAN, Trans-Jordan, July 28 (Reuter).—The key Ministries of Defence and Foreign Affairs have been placed in the hands of the Prime Minister, Tewfik Pasha Abou Hudaib, in Trans-Jordan's new Cabinet.

Tewfik Pasha today offered his resignation to Emir Abdullah, who accepted it but at the same time requested him to form a new Cabinet.

With the office of Prime Minister, he has also assumed the posts of Minister of Defence and Foreign Affairs.

The new Cabinet includes two former Ministers.

Dominion Airmen's Gallantry

LONDON, July 28 (British Wireless).—Dominion airmen are among the recipients of awards for gallantry during the recent heavy raids on cities in Western Germany, thrilling stories of which are now told.

Sergeant N. Williams, born in Dunedin, New Zealand, who received the D.F.M., took part in the daylight bombing of Bremen on July 4, attacking the centre of the town at a height of 50 feet, flying through a balloon barrage and extremely heavy A.A. fire.

The aircraft received direct hits. Williams and another were wounded but the crew, with Williams navigating, "displayed great courage and determination under extremely harassing circumstances" and successfully brought the aircraft back, crash-landing at the aerodrome.

Fire In Air

Squadron Leader R. P. Widdowson, of Winnipeg, receives the D.F.C. for bringing back his aircraft which was attacked by a Messerschmitt while returning from a raid on Munster and was severely damaged and set on fire. Tremendous efforts were made to subdue the fire. All loose articles were jettisoned and the aircraft was successfully brought back despite reduced speed and loss of height.

Cannon Jammed

Sergeant M. H. Ross of Quebec, who received the D.F.M., was gunner in a night fighter. One night last March, an enemy bomber was intercepted but the cannon jammed repeatedly. Ross cleared the stoppages four times under difficult conditions at a height of 12,000 feet enabling the pilot to destroy the bomber. He has helped to destroy two other night bombers.

Flight Lieutenant H. Speke of Bloemfontein, gets the D.F.C. for continuous distinguished and successful operational service day and night. He has destroyed four and damaged at least two enemy aircraft by night.

Matsumoto Maru Outside S'pore

SPECIAL TO THE "TELEGRAPH"

SINGAPORE, July 28 (UP).

It is reliably reported that the Japanese steamer Matsumoto Maru is lying off Singapore pending the clarification of the situation resulting from the freezing order.

The N.Y.K. stated that the steamer Hakone Maru which will arrive here on Tuesday en route to Bombay has been fully booked for the return voyage from Singapore to Japan, due to the fact that she will be the last Japanese passenger vessel to leave for Japan prior to the diversion of the passenger lines from Singapore.

Asama Maru Fails To Show Up

HONOLULU, July 28 (UP).—The Asama Maru did not appear off port at noon in accordance with her schedule. Unofficial quarters understand that the ship is waiting about 500 miles to the West.

Due In India

BOMBAY, July 28 (Reuter).—Two Japanese steamers—Melbourne Maru and Tanager Maru—which were due here on Sunday did not arrive.

Their Bombay agents have no advice about the cause of their delay.

Assurance By Welles

WASHINGTON, July 28 (Reuter).—Mr. Sumner Welles has informed the Japanese Ambassador that prompt clearance would be granted to Japanese ships from American ports.

Middle East Air Activity

LONDON, July 28 (British Wireless).—A communiqué issued by the R.A.F. Middle East states: "R.A.F. fighter aircraft intercepted two Savoia 79's off Malta yesterday and shot both down in flames 50 miles out to sea."

"Heavy bombers again raided Benghazi harbour during the night of July 26-27 and obtained hits on moles and Julian Point."

Thai Mission To Singapore

SINGAPORE, July 28 (Reuter).—The Thai Military Mission, which is returning to Bangkok on Thursday, "have been greatly impressed by the efficiency of Malaya's defences."

"We have every reason to be satisfied with our visit," the leader of the Mission, Lieut-Colonel Luang Sura Narong, told "Reuters." "It has been most interesting."

The Mission's visit has lasted nearly three weeks.

"Freezing" Will Check Espionage

Washington Belief

SPECIAL TO THE "TELEGRAPH"

WASHINGTON, July 28 (UP).—A source connected with the Dies Committee told the "United Press" that it was believed that the freezing of Japanese assets would place another check on the subversive activities of Axis agents in the United States, Hawaii, the Philippines and Latin America.

It was pointed out that the order freezing Japanese assets specifically mentioned among other things that the move was designed to "curb subversive activities in the United States."

Although the Japanese did not engage in such activities as extensively or overtly as the Germans and Italians, there was, nevertheless, evidence that their conduct was considered inimical to United States interests.

Fear For Future

One Committee source said that the fear was not so much of present activities as of possible future actions in the event that relations between Washington and Tokyo reach a more critical stage.

Congressman Jerry Voorhis, a member of the Committee, told the "United Press" that Japanese policy regarding Japanese all over the world as dual citizens of Nippon as well as of the country in which they resided. This causes considerable concern and there has also been apprehension regarding the activities of Japanese fishermen on the West Coast and in other quarters.

The Congressman was of the opinion that the freezing of Japanese credits would prevent the Japanese from acting on behalf of their Axis partners.

Indian Trade With Japan Threatened

SIMLA, July 28 (Reuter).—The Government's decision to freeze Japanese assets in India and similar action by the Japanese Government in respect of Indian assets in Japan is expected by well-informed circles to lead to a complete cessation of Indo-Japanese trade.

Indian exports to Japan for the year ended March 31 last totalled £675,200 and imports from Japan amounted to £1,016,100.

Although no mention of trade is made in the order of either government, it is probable that the freezing orders will not affect the goods which are ready for shipment or which have already been paid for by either country.

Present Convention

The order of the Government of India does not affect Japanese goods for which payment is already made. No trade agreement exists at present between India and Japan but a commercial convention requires that Japan take from India cotton to the value of India's import of Japanese textiles.

The convention is now under six months' notice of termination.

WELLINGTON KOO AT LUNCHEON IN LONDON

LONDON, July 28 (Central News).—Dr Wellington Koo, Chinese Ambassador in London, was the guest of honour at a luncheon to-day given by Mr. Lee Teh-yeh on behalf of the Bank of China. Mr. Lee is Manager of the London Agency of the bank.

At the function, the Bank of England, the Chartered Bank, the Hongkong and Shanghai Bank and the Chase Bank were represented by their chiefs. Sir Leith-Ross, on behalf of the Ministry of Economic Warfare, and Mr. MacGowan, on behalf of the Export Credits Department, were also present.

Chinese guests included Dr. P. W. Kuo, Administrative Vice-Minister of Finance, Mr. Wunsz King, Chinese Minister to Holland, Mr. Chen Weichen, Counsellor of the Chinese Embassy in London, Dr. Wang Ching-chun, Director of the Chinese Government's Purchasing Commission in London, and others.

Last week, Dr. Koo was received by the Queen and saw all the members of the War Cabinet.

NEW ZEALAND MILITARY POST

WELLINGTON, July 28 (Reuter).—The resignation of Sir Andrew Russell from the Inspector-Generalship of New Zealand Military Forces is announced to-day by the acting Premier Mr. W. Nash.

Mr. Nash said that Sir Andrew had reached his decision consequent on the appointment of Sir Guy Williams as military adviser, and also for health reasons. Mr. Nash paid tribute to the work of Sir Andrew who the Government had re-appointed to the War Council.



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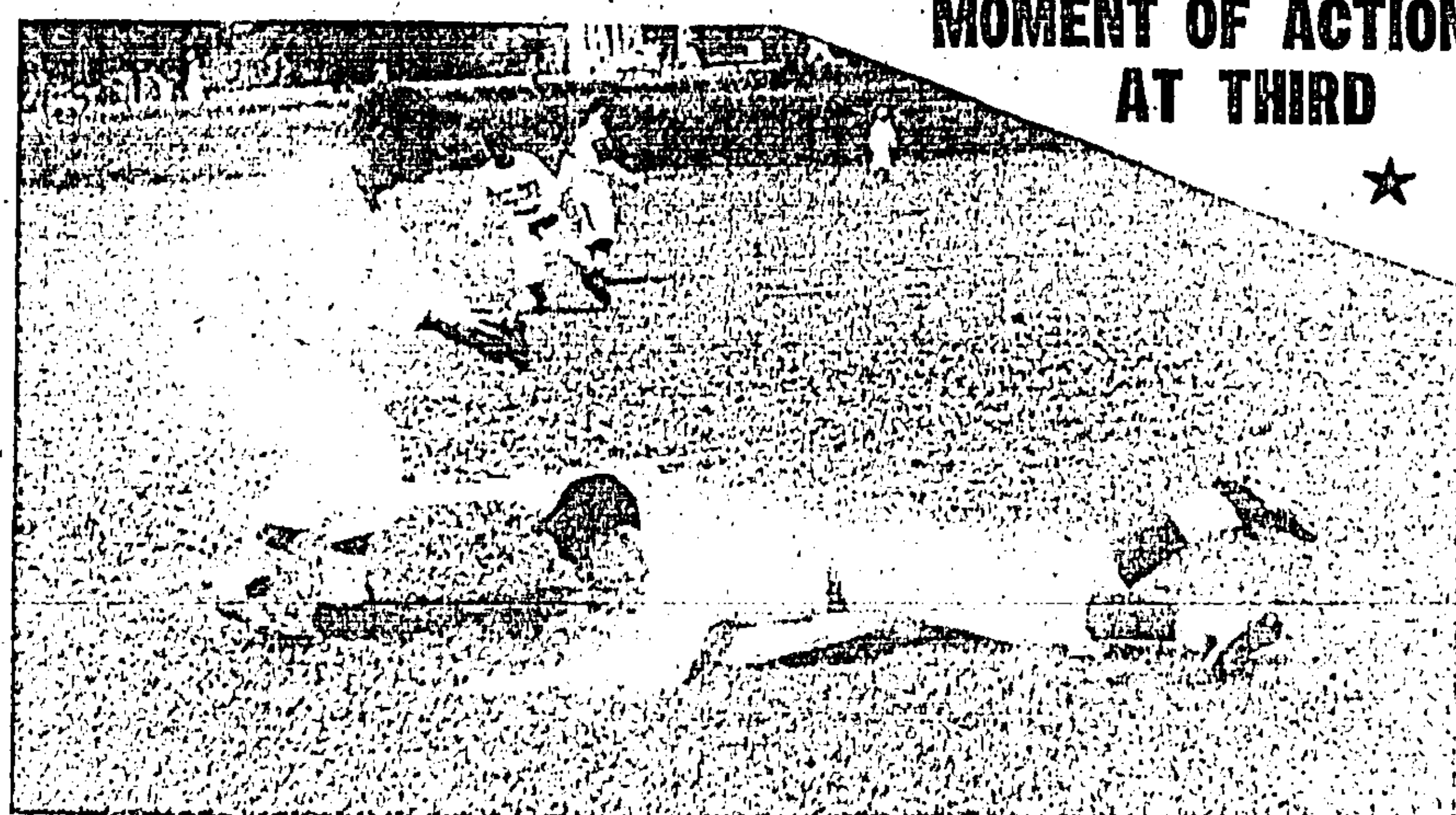
"Ball Fan's" Baseball Notes

Chung Hwa Maroons' Improved Display

South China—Downed 6-3: Steady Hurling By Moundsman Al Lau

A real bitter mixture of bad rainy weather and front office upheaval, coupled with the absence of the Asheville-Tulsa combination from port was enough to limit the week-end baseball card to one solitary game, as the former seven team loop continued to limp its way toward the season's end.

Chung Hwa's fighting Maroons clipped through with another win as they set the South China gang down 6-3. It was the second Maroon win in the "All Chinese classics."



MOMENT OF ACTION
AT THIRD

Dick Chung, Chung Hwa Maroons, sliding back to third base in their Baseball match at Kowloon park on Saturday. Texaco Ng ready to nab the throw from catcher.—Ming Yuen.

Acting On Misinformation Received.....

Reasons For Wrong Baseball Schedule

It is felt that an explanation should be forthcoming from this column to those who read the baseball gossip on Saturday in regard to the weekly baseball schedule which did not coincide with the one eventually and officially set by the League Secretary.

Deepest apologies are offered to those Mindanao players who appeared at the ball park on Sunday around 9.50 a.m., expecting the game to start at 10 a.m., to the members of the Chung Hwa Maroon team who were erroneously scheduled to play two games over the week-end, to Dave "Dixie" Walker, popular Cardinal coach and a real fellow, and to those ball fans who may have appeared at the Chatham Road park expecting the game to start at 10 a.m.

Information was definite as late as Friday by the League Secretary that the games, as printed, were to be played over the week-end.

But on with the story:—A league meeting was held on Friday for the purpose of revising the schedule after the black spot inserted into the local baseball annals the previous couple of weeks.

But what was run into at this meeting called to revise the schedule?—You guessed it, ball fans—into a typhoon. Yes, sir, a typhoon of words regarding the H.B. Mindanao affair, with the "gab gab gabbling" see-sawing from one side to another.

During the short interim when the general committee were in private confab, the League Secretary was asked for the two-day baseball card to be played over the week-end.

He said that the Chung Hwa Maroons were playing two games, the first against South China on Saturday, and against Mindanao's terrific M on the Sabbath morn.

It was discovered on Saturday after reading the morning paper that Welfie Welford's Royal Engineers were taking on the terrific M at 11 a.m. on Sunday.

Although a writer may be just one of the many, many plain "nobodies" in this peculiarly-customized Colony, the League Secretary, in the interest of local baseball, for those teams that make up the league and for ball fans in general, should have at least made an effort to inform this column of the change, coming as it did just after being told otherwise.

However, it is felt that ball fans, those who really make the game,

GRANDPA Leung's Chung Hwa nine rode confidently to the gates of victoryville in the opening stanza, marking up four big tallies on the "Coca Cola" scoreboard.

Veteran Dick Chung, making a welcomed return to the Maroon lineup, slammed out a rousing triple to start off this high-scoring inning. Forrest Loung and Bill Chung both walked to fill the bugs, putting South China hurler Paul Lau in the well-known "tough spot" at the outset.

Morocco Chan's driving bingle to left drove in two runs, and Bill Chung breezed across the platter with another tally on Hal Winglee's wild peg. Al Lau fled to centre-field for the first out in this eventful 1st stanza, but another Maroon run crossed the plate when Morocco Chan sped home on "spectacle" Shum's bingle over second. Willie Woo hoisted to left and T. Y. Ho's infield out, ended the winners' high-scoring inning.

The Chung Hwamen finished off their scoring session for the day with two more runs in the 3rd frame, on two hits and a walk, with "Hy" Lo and Dick Chung whizzing by the pay-off pan on Morocco Chan's timely line drive.

In the 5th canto after Pat Wong, South China centrefielder had popped to short, Maroon twirler Al Lau weakened momentarily to walk Dopey Lo and Ernie Moy. Paul Lau

Saturday's Stars

Al Lau and Dick Chung, Chung Hwa Maroons, former hurler and another steady game to chalk up his second victory over the South China nine, limiting the Caroline Hillmen to three scattered hits; latter-made a welcomed return to the Chung Hwa lineup, leading the winners' clouting attack with a sizzling triple and a single.

holisted an easy one for the second out, but Cecil Winglee took first on a "four ball special" to fill the bugs. Nelson Ma's sizzling single drove in Dopey Lo with South China's first tally of the game. The excitement died down when Ernie Moy was caught stealing home for the last out.

The Caroline Hillmen added two more runs in the last of the 7th inning, in a desperate bid to pull the game out of the fire.

In spite of the fact that regulars Wally Chung, P. F. Choy and Hank Chan were out of the line-up, the Maroons played confident ball behind the steady hurling of Al Lau who limited the weak-willowed South China gang to three measly blows. The spectacled moundsman showed flashes of speed in "laying 'em over" and appears to be improving rapidly with each game.

those who go out to the ball park regularly, those who bought season tickets and were expecting to see a real baseball season—yes sir! They are the ones who have been taken for the toughest ride.

Water-Polo

SIGNALS HELD TO DRAW BY MIDDLESEX "A"

DESPITE having attained a lead of 4-1, Signals, unbeaten leaders of the Water-polo League, were held to a 4-all draw by Middlesex "A" in the Army pool yesterday. Middlesex opened the scoring but in the early stages of the second half, poor marking had cost them four goals. They staged a rally, however, and two quick goals and then a long shot from Ure from over the half-way line saw them draw level at 4-all.

Other Games

Navy "C" beat Middlesex "B" 3-1, scorers for the sailors being Hulse 2 and Wilson. Holdford replied for Middlesex.

Win For R. Scots "A"

Royal Scots "A" met their "B" team and emerged winners by the odd goal in five. Gray, Millar and Hunter registered for the "A", while Laws and Morris tallied for the "B".

Basketball's "Big" Game Slated For To-morrow South China v. Sing Tao

ON THE AGENDA as the basketball classic of the year, Hongkong's rabid cage fans are once again eagerly awaiting the opening whistle to set off the "game of games," when the smooth working Sing Tao basketballers tackle South China's classy cagers in a spotlighted tilt of a two game card, to-morrow night at the Kowloon Chinese Y.M.C.A., Waterloo Road, at 8.30 p.m.

Games Played Yesterday

Competition for the Wu Teh-chen Cup in the summer basketball league began last night at the Chinese Y.M.C.A., Kowloon, when two matches were played. General Wu's Secretary, Mr Tong Siu-luen, tossed the first ball. Wah Kiu beat Bank Union 54-28. The half-time scores were 27-14 in favour of Wah Kiu. Outstanding player was Ting Chin-hong (Wah Kiu) who played right wing and scored 24 goals.

Second Match

The second match was between Black Cats and Kowloon Residents Union, the former winning 40-37. The half-time scores were 24-16 in favour of the winners. Leung Kai-ying (Residents) playing right wing, scored 10 goals. Black Cats had two brilliant players in Li Pul-wing and Leung Kwok-yiu who between them scored 31 goals.

The opening game at 7.30 p.m. featuring the rangy Indian Police squad in a fracas against the strong National University hoopers, makes it a brilliant night of high-class basketball.

Billed as the best two teams, by far and wide, in Southern China, and arch rivals for years for supremacy in the South, the Sing Tao v. South China all-important game will start both teams off in quest of Hongkong's Open Summer League Championship and possession of the beautiful Wu Teh-chen Cup.

Youthful Sek Chen-tack and the rookie Ng Sin-chiu from Canton University are slated to team off on the defence and should add that "mountain of youth" zip to the well-oiled Caroline Hill basketball machine.

Pitted against Sing Tao's forward line of Leo Pul-chick, Chan Yuching and Lo Chen-hoon, South China A.A.'s cage fans will be cheering for their sharp-shooting favourites with Sek Chen-chee, Chung Ling, Cheung Yuk-ivan and Siaw Kit-in expected to bear the brunt of the scoring attack.

Speedy Quintet

THIS year's edition of the South China quintet have speed in abundance, ball-handling ability in its high class form, trained to the limit and have a fighting spirit that will be hard to beat.

Sing Tao rely on a veteran team of experienced ball-handlers who have played together for many years. The newspaper quintet plays a slow revolving game centred around the pivot play of ace guard Leung Kok-choi.

The Caroline Hillmen have a sprinkling of veterans to augment the starry youngsters and should gush through with thrilling basketball in their first tough game of the season. The veteran Poon Yee-kwan, another old timer in the ranks of local cage circles, will round out the Sing Tao defensive duo, giving the strong cagers from across the bay, a steady guarding unit. League officials expect to handle a capacity crowd in this "all out" game with the admission price set at thirty cents. Season tickets, embracing the entire schedule can be bought for \$4.70 at the Kowloon Y.M.C.A.—Bill Woo.

Australia won 4-2, but when Woo went off 25 minutes from the end, the scores were 2-all and it looked anyone's match.

Woo received a kick in the chest and was badly bruised. He could not say how it happened. A crowd of 24,337, who paid £2,139, had many thrills.

China scored in the first three minutes, and led 2-1 at half-time.

Clever Forwards

EVERY man in the Australian team played his part. The forwards, Crowhurst, Wilkinson, Quill, Hughes, and Wynn, kept the ball swinging purposefully from wing to wing.

The thrustful methods of the half-backs, Bryant, Coolahan, and Osborne, provided many scoring chances.

The Chinese half-backs, R. Chang, Sung, and Woo, were clever, too. But the visitors had no chance when Woo left.

All the clever scheming and dash of the Chinese centre-forward, Hyul, and his inside supports, Fung and Lai, backed by the methodical distribution of centre-half Sung, was frustrated by the excellent defence of Wallace, Evans and Morgan.

The Chinese goalkeeper, Y. Chang, made some of the finest "saves" ever seen in Sydney. He dealt confidently with shots fired in from all angles by Wynn, Hughes, and Wilkinson in the first half.

The Chinese were at their best in the first three minutes of play. Lai made an opening for Hyul. This feet-footed centre-forward evaded Coolahan and swept the ball across to Tsao, who beat Morgan with a terrific drive.

Wilkinson carved a perfect opening for Hughes to level the scores.

Next, Hyul lobbed the ball over Morgan's head when the Australian keeper ran out to meet the oncoming Chinese, and gave China a 2-1 lead at half-time.

China's Missed Chances

AUSTRALIA looked the better team in the early part of the second half, and after clever passing, Wilkinson made it 2-all from a pass from Crowhurst.

Several times the Chinese forwards lost chances through seeking easier scoring positions. Morgan brilliantly saved hot shots from Hyul and Lai.

Then China, weakened by the absence of Woo, was unable to cope with the Australian attacks.

Crowhurst dashed ahead and sent a perfect pass to Quill. The centre-forward was too quick for goalie Chang, and Australia led 3-2.

Then Hughes skillfully headed a high centre from Crowhurst into the net, and the game was as good as over.

Mr Peter Woo, co-manager of the Chinese team, said: "The field was too small for the Chinese style of play. It was unfortunate that we had to play with 10 men in the second half. I think we will win next Saturday."

J. B. Evans, the Australian captain: "It was a clean, hard-fought game. The better team won, though until the Chinese lost Woo the play was even."

AUSTRALIA 4 (J. Hughes 2, Wilkinson 2, Quill 1, Crowhurst 1, Wynn 1, Evans 1, Coolahan 1, Osborne 1, Bryant 1, Morgan 1). CHINA 2 (Tsao 1, Hyul 1). At Cricket Ground. Teams:—

Australia.—Goal, W. Morgan; full-backs, J. Wallace, J. Evans; half-backs, R. Bryant, W. Coolahan, J. Osborne; forwards, R. Crowhurst, J. Wilkinson, J. Quill, J. Hughes, M. Wynn.

China.—Goal, Y. Z. Chang; full-backs, Y. P. Hsu, T. S. Lee; half-backs, R. H. Chang, L. R. Sung, C. F. Woo; forwards, S. Y. Yung, K. C. Fung, Y. K. Hyul, S. W. Lai, C. T. Tsao.

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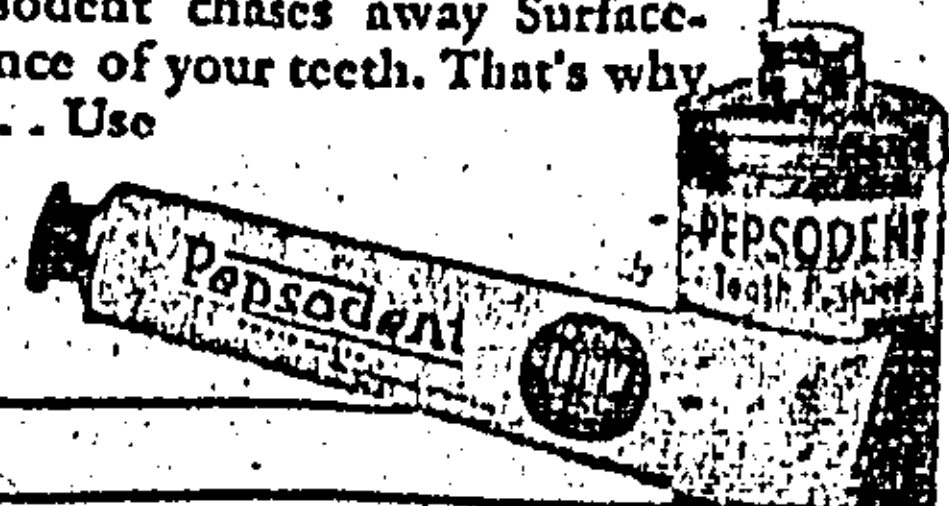
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NANCY

By Ernie Bushmiller



Puppets Follow Tokyo Lead Against Anglo-U.S. Assets

Special to the "Telegraph"

PEKING, July 28 (Domel).—Acting in line with the Tokyo Government, the Japanese Consulate-General in various parts of North China today announced the control of business transactions between Japanese residents and the nationals of designated foreign countries including the United States and the Philippines and Great Britain.

British Dominions will be included in the affected foreign countries upon receipt of official reports. Similarly, the North China Political Commission has also taken similar measures with the Chinese people in order to co-operate with the Japanese.

As the result of the measures, the permission by the Japanese Consulate-General or the North China Political Commission will be necessary for business transactions between Japanese residents and the nationals of foreign countries designated in North China. It is understood that the living cost for one family will be limited to Yuan 500 of the Federal Reserve Bank currency per month.

The measures will not affect the transactions among the nationals of third Powers themselves including those of designated foreign countries.

Korea Follows Suit

SPECIAL TO THE "TELEGRAPH"—KEIJO, July 28 (Domel).—The Korean Government-General announced immediate promulgation of the regulations controlling the transactions by foreigners within Korea. The action is taken as a counter-measure against the American freezing of Japanese assets.

Surprise

SINGAPORE, July 28 (Central News).—Local Japanese circles were surprised and perturbed by the rapidity with which Britain followed America in issuing the freezing order.

The Japanese Consul-General, Mr. Ken-Tsurumi, admitted that considerable "inconvenience" would be caused to Japanese business in Malaya. He added that the Japanese people in Singapore remained quiet and he had not yet received any instructions from Tokyo.

Managers of the Japanese banks here conferred with the acting Controller of Foreign Exchange this morning.

An official of the Yokohama Specie Bank pointed out that business between Malaya and Japan has been practically at a standstill for some time and consequently Japanese assets in Malaya, affected by the order are likely to be small.

Ships of the O.S.K. and N.Y.K. continue to call at Singapore, pending instructions from their head offices.

Indian Army Casualties Disclosed

SIMLA, July 28 (Reuter).—

Indian Army casualties during the campaigns in Africa reported between December last year and July 8, totalled 6,427 of which 759 were deaths, including 21 officers, 26 Viceroy's commissioned officers, and 712 Indian other ranks.

The remaining casualties include a fourth who are prisoners of war, 1,201 missing and 4,307 wounded. The proportion of casualties to the total number of troops engaged in the campaign is stated to be extremely low. The total wounded contains a very large number of men who were only slightly wounded and who either remained on duty or returned to their units long ago.

Sawada Tours S'hai Areas

SPECIAL TO THE "TELEGRAPH"

SHANGHAI, July 28 (Domel).—Lieut-General Shigeru Sawada, Supreme Commander of the Japanese Expeditionary Force to the Shanghai area, left Shanghai on July 28 and inspected Kunshan, Soochow, Wushu and other districts where a Sino-Japanese joint clean-up campaign is now in progress. After inspecting local peace and order as well as the conditions of export and import, General Sawada returned to Shanghai to-day.

Customs In S'hai Limit Exports

SHANGHAI, July 28 (Reuter).—The Japanese-controlled Customs have imposed restrictions on certain exports from Shanghai, including machinery, provisions, cotton yarn and chemicals, according to Chinese reports.



Mr Harrison Forman, famous journalist and photographer, arrived in Hongkong yesterday. He is on a special assignment for the National Broadcasting Company of New York. Mr Forman scooped the world with his pictures of the Nazi attack on Warsaw.

Hollanders Create Navy Dept. To Continue War

LONDON, July 28 (Reuter).—The determination of the Netherlands Government to hold no parley whatsoever with the Nazi regime is re-affirmed in an announcement stating that Queen Wilhelmina has approved a number of ministerial appointments.

The only change in personnel is in the Defence Department. In view of the great importance attached, particularly in the present circumstances, to the Netherlands Navy, a separate Navy Department has been created.

This department will function under Vice-Admiral Furstenberg, who was Chief of Naval Staff in 1936 and this year was made Commander-in-Chief in European waters.

The Netherlands Government reiterates that the entire conduct of affairs and method of working will continue to be directed to partialising most energetically with the Allies and United States in the prosecution of the war, regarding their complete independence and the preparation of a solution of problems which will occur after the war.

No Talks With Hitler

Neither discussions nor negotiations with Hitler and his conspirators. It is stated will be entered into. Every effort which the Kingdom of the

Menzies Still Aussies' Choice

CANBERRA, July 28 (Reuter).—

An overwhelming majority of the Australian United Party which with the Commonwealth Ministerial Party spoke in favour of Mr Menzies and requested him to continue in his leadership of the Party.

At the close of the meeting which was somewhat stormy and lasted five hours, Mr Menzies announced that he was making an aeroplane tour of South Australia, West Australia and Tasmania, which parts he had not visited since his return from America and England.

Nazis Protest Expulsion Of Minister

LONDON, July 28 (Reuter).—

The expulsion of the German Minister in La Paz, Herr Wendler, has led to a second Note being addressed by the German Government to the Bolivian Government.

Referring to a document published by the Bolivian Military Attache in Berlin, Major Delmonte, to Herr Wendler, the German Note describes it as "at first sight nothing more than a clumsy forgery."

The Note goes on to point out that Herr Wendler immediately telegraphed to Berlin, stating that he had never received such a letter and had never entered into any kind of communication with Major Delmonte.

New Grounds

It adds that Major Delmonte declared to the German Foreign Office that he had never sent such a letter to the German Minister nor had he ever sent him any letter or received one from him.

The German Note concludes: "Major Delmonte has expressed a wish to make his declaration in public. In the face of this the German Note must declare that the Bolivian Government, at the instigation of a third party and without any attempt at explaining the facts, have lent themselves to a procedure against diplomatic representatives of the Reich of a kind unparalleled in international relations. The German Government once more sharply protest against this."

Roosevelt's Warning

Emphasised By Press

SPECIAL TO THE "TELEGRAPH"

WASHINGTON, July 28

(UP).—In an editorial to-day the "Washington Post" stated, "Roosevelt's action in placing the Philippines land and sea forces under United States command for the duration of the emergency is a further warning to Japan, if any more were needed, that this country intends to defend its Far East interest with all the resources at its command."

The "Baltimore Sun" in an editorial asserted that the orders to the Philippine army were "likely to impress Japan and just possibly exert some sobering influence in Tokyo at a moment when sobriety in outlook and decision is most needed in the Far East." It stated that the Philippines, together with the British and Dutch bases form a quadrilateral "which even the most ambitious Japanese strategists are bound to respect."

Nazis Deny Plan To Attack Turkey

LONDON, July 28 (Reuter).—

The official German news agency to-night issued a denial of "competent quarters" of the Moscow announcement that secret documents had been taken from German troops showing that "Hitler planned to attack Turkey."

Such documents, it was declared, do not exist.



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"I congratulate you warmly, Mr. Gerald. Doubtless you purpose to celebrate the occasion in the appropriate manner."

"I do, Hawkins, and in a big way. Turn out the cellar while I go to the phone and beat up a few of the lads. Let there be enough festivity to float a battleship."

"Very good, Mr. Gerald."

"And Hawkins, see that there's plenty of Rose's Lime Juice. Can't risk hangovers in wartime, you know. Rose's for Gimlets, and to wind up the evening. Attention to detail, Hawkins—that's what makes the good soldier."

"So I discovered, Mr. Gerald, when they made me Quartermaster-Sergeant in the latter half of 1917."

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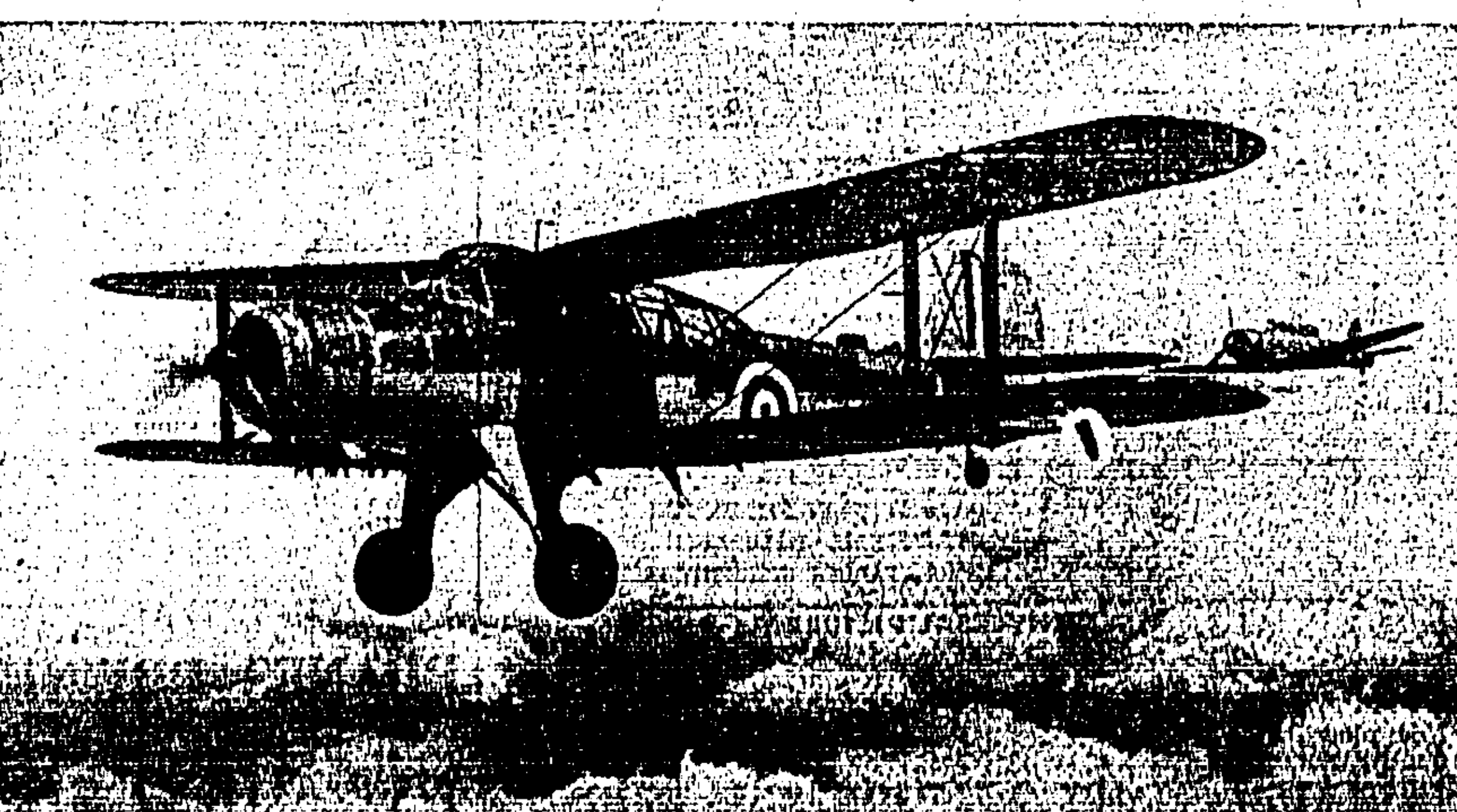
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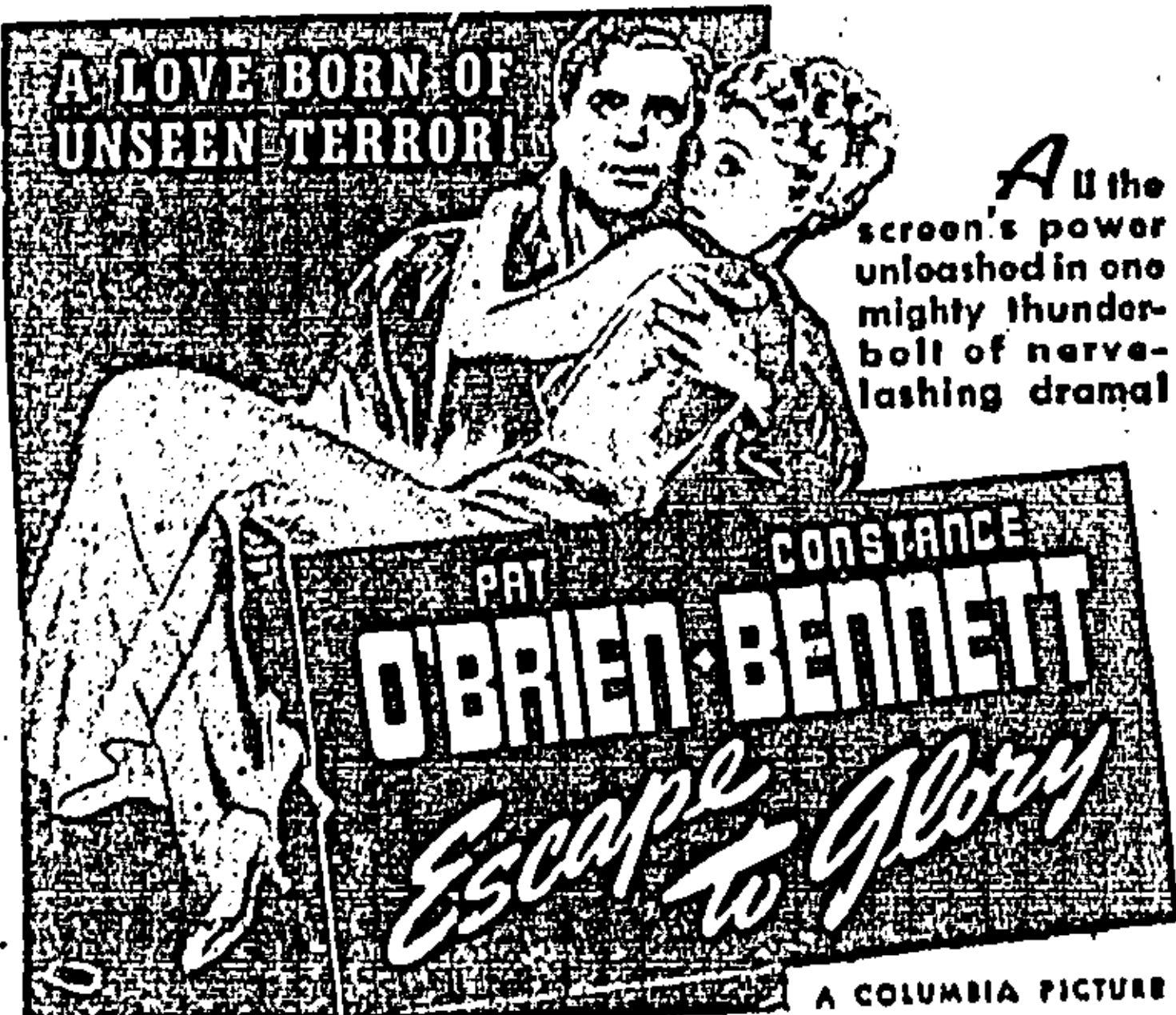
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Nations Lining Up Against Japan

→ FROM PAGE ONE

ance of a sterner type if she undertakes any new adventures. Many experts were of the opinion that Japan must now expect to encounter concerted force if she attempts an attack on the Dutch East Indies or Singapore.

Hint to Latin America
WASHINGTON, July 28 (Reuter).—Mr. Sumner Welles to-day intimated that the United States would welcome parallel action by other American countries in the economic control measures against Japan. Stressing that the Latin American countries were free to act in any way they deemed advisable he cited steps already taken to ensure access by the United States to Latin American defence materials and to prevent the export of such goods from the United States.

Asked specifically about the possibility that Venezuela might refuse to sell oil to Japan, Mr. Welles replied that it was solely a question for Venezuela to decide.

Views Exchanged
"United Press" adds that Mr. Welles asserted that the United States and all other interested Governments had frequently exchanged views and have been in constant communication in order to permit parallel action against Japan in the South Pacific whenever such action was deemed desirable.

He declined to comment upon the possibility of Japan getting vital supplies of oil from Venezuela and other oil producing Latin American countries, but said that as sovereign nations, these would probably proceed under their own national policy. He denied that any agreement had been reached for the United States to purchase the entire surplus oil output of Mexico.

Mr. Welles talked over the Far Eastern situation with Lord Halifax, the British Ambassador who had just returned from a tour of the west coast. Lord Halifax told newsmen that he had no fresh information regarding the developments in the Far East. Meanwhile the newly arrived Soviet Military Mission began consultations with the State Department on the problem of co-ordinating American aid to Soviet Russia.

Effects Already Seen
NEW PEARSON and Robert Allen, in their joint column in the "New York Mirror" on July 28 stated: "The double barreled dose of economic warfare—the freezing of Axis assets and the black list—have played real havoc with Axis operations in South America."

Confidential Government cables report that as the result of these measures, 25,000 Axis nationals have been uprooted wholesale from their thriving enterprises and have become refugees, getting a dose of the bitter medicine Germany meted out to millions of European victims.

Nomura On Ships
WASHINGTON, July 28 (Reuter).—Before conferring to-day with Mr. Sumner Welles about the freezing of Japanese assets in the United States, Admiral Nomura, the Japanese Ambassador in Washington, told newspapermen that he understood that Japanese ships were not subject to the freezing order.

He hoped to clarify this and other questions at the State Department, he added.

Tokyo Seeking New Money Agreement

→ FROM PAGE ONE

East Indies are commencing pressure on Japan.

The "Chicago" said the Foreign Office is seriously watching developments.

Tokyo To Try Leniency
TOKYO, July 28 (Reuter).—Following the Netherlands East Indies' freezing action, Japan now faces complete isolation economically except in Japanese dominated areas of the Asiatic continent.

It is expected that this situation will be borne silently at present but an explosion is imminent as soon as adverse effects are noticeable.

Meanwhile the present tendency is to be as lenient as possible according to the policy followed by others.

Agreement Abrogate
SHANGHAI, July 28 (Reuter).—A Japanese report from Batavia states that the government there has announced a unilateral abrogation of the Netherlands-Japanese petroleum agreement signed last year.

Eight Airfields For Japan In Indo-China

→ FROM PAGE ONE

detailed agreement confirming the carrying out of an agreement between Japan and France for the joint defence of Indo-China was concluded last Wednesday. It was announced by the Japanese Military Mission in Indo-China.

According to a "Domei" dispatch from Saigon quoted by the Tokyo Radio, "negotiations for the conclusion of this detailed agreement were started last Wednesday morning and were brought to an amicable conclusion on 8 p.m. the same day."

The agreement was reached between Major-General Gunata, head of the Japanese Military Mission, and Vice-Admiral Decoux, Governor-General of Indo-China.

TWO JAPANESE PLANES DOWNED

SPECIAL TO THE "TELEGRAPH"

CHUNGKING, July 28 (UP).—It is reliably reported that two Japanese planes were shot down by Chinese pursuit planes in a severe air battle in the vicinity of Chungking. The wreckage of both machines was found near the city of Pichan, 40 miles west of Chungking.

British, U.S. Firms "Occupied"

→ FROM PAGE ONE

Embassies have not renewed their advice to evacuate.

Bonds To Be Paid
NEW YORK, July 28 (UP).—The Japanese Financial Commissioner, Mr. Tadamasa Nishiyama to-day stated that despite the freezing of Japanese assets, interest and sinking fund payments of dollar bonds will be met at cost. It is estimated that these amount to from \$103,000,000 to \$138,000,000 but some are held by Japanese nationals and agencies. Financial circles asserted that the annual cost of debt service on dollar bonds probably would not exceed \$12,000,000.

Mr. Nishiyama said that he hoped the United States Government would administer the freezing order in such a way as to facilitate payment.

Shanghai Reaction
SHANGHAI, July 28 (Reuter).—The grave situation in the Far East has ousted the Russo-German war from the main headlines in all local newspapers to-day.

Citizens in Shanghai were dazed all day long as wild rumours succeeded one another in rapid succession and the value of the Chinese dollar fluctuated violently.

There is, however, not the slightest questioning among Britons and Allied nationals over the parallel action by the United States and the British Empire against Japan despite fears that it may end Shanghai's non-Japanese trade for the duration.

The feeling among Shanghai's Britons and Allied nationals is fairly accurately summed up in an article by a well-known British journalist and commentator who writes: "Retaliation having at last been instituted, it will be hoped by all Britons and Americans that it will be pursued to the utmost limit, notwithstanding the probability that it will result in temporary suffering and inconvenience in centres where the Japanese Army holds sway."

"It is now the eleventh hour and nothing is to be gained by tempering with this retaliation in order to avoid offending Japanese susceptibilities. The sooner its full effects make themselves felt upon Japan, the more likelihood there is of an earlier appreciation by the Japanese of the disastrous consequences of their army's policy."

Noteworthy Comment

The most noteworthy comment by newspapers supporting the puppet Nanking regime appeared to-day in the "Kuo Min Hsin Wen" which says that Japan can only adopt economic reprisals against the British and American action in freezing Japanese assets and that war is still far off.

The newspaper suggests that Japan may retaliate by confiscating American and British assets in Occupied China which are estimated at about \$500,000,000.

Among many unconfirmable rumours circulating in Shanghai to-day was one stating that the Japanese-controlled Customs here had imposed restrictions on certain categories of exports from Shanghai. These were listed as metals, machinery, cotton, piecegoods, cotton yarns, chemicals and provisions.

If this rumour is true, it means that the only future possible buyers of such articles will be the Japanese and the only payment which will be received will be in the Japanese military yen.

According to local banking and commercial circles, a Japanese ban on non-Japanese goods from Shanghai, if not yet introduced, is almost inevitable.

Axis Embassies Sealed Up

CHUNGKING, July 28 (Central News).—The German and Italian Embassies in Chungking were officially sealed yesterday following the departure of the last batch of the Axis diplomats yesterday morning by air for Indo-China.

LATE NEWS

"IF BURMA IS ATTACKED"

LONDON, July 28 (Reuter).—Under the heading "If Burma Should be Attacked," the "Times" publishes an article from its special correspondent in Burma, in which he states that Japan has long been studying the possibilities of an attack on Burma from bases in southeast Asia which she would have little difficulty in establishing.

"The most probable objective of such an attack would be the Burma Road," the correspondent continues, "for which China resists the Japanese forces are largely tied down. The attack might come through the southern Shan States along the main roads leading west to Kungling, Lomien and Fungyui. A successful thrust would enable an invader to sever vital communications to the south and by a secondary advance to Halpaw to control the road to Lashio and China."

Wading Through Swamps

"Often," the soldiers must wade knee-deep through black swamps. "These forests provide the best cover for the Russians, for the Germans cannot see the enemy. As soon as the Germans enter a forest, they meet with a withering fire from the Russians from trees here, there, everywhere."

Stalwart Defence

Describing an attack on one such fort, the correspondent says: "The Russian fire was first opened from a neighbouring farm building so that the Germans thought that the fort was abandoned. When they approached more closely, a murderous blast of machine-gun fire opened from the fort itself. Only after the German infantry, shooting at a hundred yards' range, had opened a breach in the fort's walls were the Germans able to enter."

Underground Passages

"Even then the dangers were not ended as Russian forts are often constructed of three floors with numerous underground passages. "One Russian posted outside said that they had nothing to fear as the few surviving Russians were anxious to surrender. The Germans, entering unexpectedly, were met with a fierce fire inside and only captured the fort after killing every Russian defender."

Angry Evacuees Meet In Sydney

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and 400 children in Hongkong," said Mrs. Dewar. "Nineteen returned in the last three boats. We are justified in asking to return, if only from the moral aspect, otherwise our homes may be irrevocably broken."

More Letters

More letters from Hongkong evacuees have also been appearing in the Sydney "Sun", two of them being here reprinted.

"Lancashire Lass" is perhaps not aware of the fact that quite a few of the evacuees are still in love with their husbands. A woman who has not yet learnt in this world that you cannot run away from danger and thinks she is safe in Australia needs our sympathy.

I am from the Old Country. The Old Country wouldn't be "taking it," with its back against the wall, if "Lancashire Lass" were an example of its people, sitting snugly back with her £31 and one child. She should never have gone to Hongkong. One goes to the East to stand by one's husband, whatever happens.

Incidentally, we don't all get £31 a month. I get £20, with two children under three. Quite a number get less. As the Hongkong Evacuation Commission for a few statistics; then try finding accommodation for two children under school age. Let's go back to our homes, even if it is a short-lived happiness; our children will at least know they have a father.

Maid of Kent.

Not Against Australia

I am not a growler, but like hundreds of others, I am most anxious to return to my husband and home in Hongkong, and I dispute "Lancashire Lass'" statement that "a large number, if not the majority" of women would prefer to remain here. Had we been given choice of evacuation many of us would have chosen to stay, and let those who wanted to and who have the means to support two homes easily, go. "Lancashire Lass" is lucky to have £31 per month, and should be very comfortable on that amount. I and hundreds of others only have £20 per month, and I, too, have one child to keep and look after, and besides that my husband has another son to support at school in England. We find it very difficult, and there are many others in the same boat. We do find things expensive in Sydney, much more expensive than we expected, and I think everything is dearer than even in wartime England. I was in England for the first five months of the war, too, and know how well prices were controlled there.

Our grouse is not against Australia or the people. We are fed up with the way the evacuation was run and the very unfair discrimination. I am sure Australian women will sympathise with us. How would they like five days' notice to pack up and be deported out of their own country, leaving behind husbands, homes, and hundreds and hundreds of women of other nationalities, who can still stay in Hongkong and come and go as they wish.

HONGKONG-BORN.

The Other Side

On the other hand, another evacuee writes to her husband in Hongkong in the following strain: "There have been quite a number of letters in one of the evening papers, from evacuees, airing their views and grievances on the evacuation. The same old story. It is a pity the particular paper bothers to publish them, but I suppose it gives the majority of the evacuees stationed in Sydney some consolation, to re-read all over again what has been hammering in their brains since they left. What good does it do anyway? Here we are, and here we have to remain until some such time arrives for us to leave. It is not very complimentary to Australia to be forever grumbling, and I hate the reasons is, I imagine, they hate having to work. I imagine they all congregate at Bondi and have never got out of the rut. They have made no friends among the Australians and don't intend even to try."

NAZIS BROUGHT TO A STANDSTILL

→ FROM PAGE ONE

are terribly cold and damp. The days are frightfully hot while millions of torturing mosquitoes swarm round the labouring soldiers' heads."

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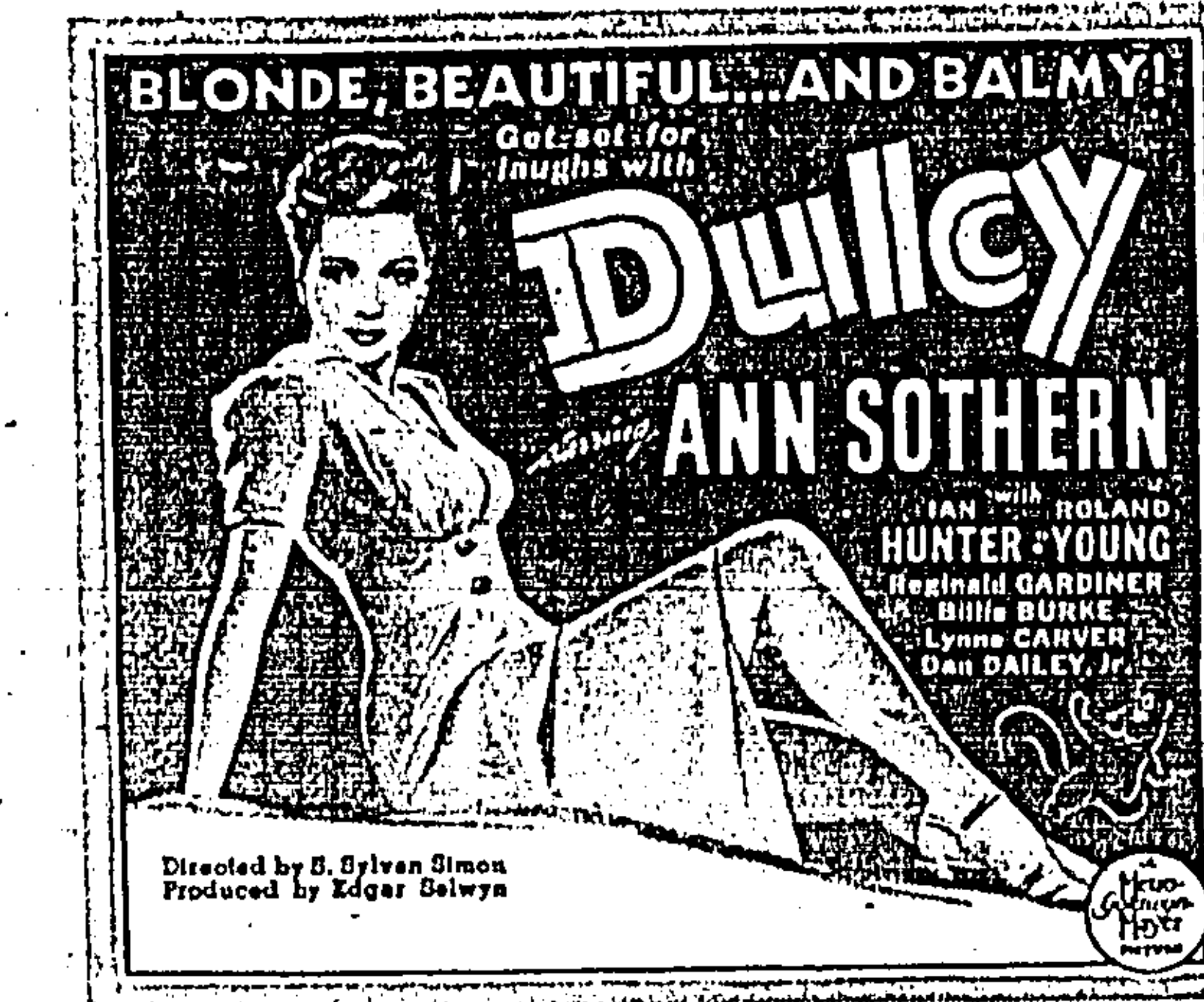
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Wheeler Hits Back At Indian Association Of Malaya Defended.

SPECIAL TO THE "TELEGRAPH" WASHINGTON, July 28. (UP).—Senator Burton K. Wheeler, speaking from the floor of the Senate, to-day charged that the Administration's condemnation of his anti-war postcard mailing campaign was part of a programme to "terrify the American people" into submitting to participation in a foreign war.

He accused Secretary of War Stimson of acting with "cold, calculated cunning" to create the impression that the postcards were circulated in army camps, adding that only three out of the million cards mailed actually reached soldiers.

He added that Mr. Hall's statement was the result of representation by interested persons who did not like the existence of the association, and he affirmed that they had never been a party to subversive or any agitation at all.

Printed and Published for the Proprietors by FREDERICK PRACY FRANKLIN at 1 and 3, Wyndham Street in the City of Victoria, Hongkong.